



Daily Report

China

FBIS-CHI-90-245
Thursday
20 December 1990

Daily Report

China

FBIS-CHI-90-245

CONTENTS

20 December 1990

NOTICE TO READERS: As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

| | |
|---|----|
| Foreign Ministry Holds Weekly News Briefing | 1 |
| Shifter's Visit Helps Relations [ZHONGGUO XINWEN SHE] | 1 |
| Human Rights Talks Needed [AFP] | 1 |
| Announces Visit by Kuwaiti Amir [XINHUA] | 1 |
| Condemns Palestinian Expulsions [XINHUA] | 1 |
| Urges Progress at Cambodia Meeting [XINHUA] | 1 |
| Notes New Holding Company [XINHUA] | 2 |
| World Bank Official Sees Return to 1989 Lending [XINHUA] | 2 |
| U.S.-Iraqi Confrontation in Gulf Viewed [SHIJIE ZHISHI 1 Dec] | 3 |
| 'Yearender' Examines New USSR-U.S. Relations [XINHUA] | 5 |
| 'Yearender' on Swift Changes in World Order [XINHUA] | 6 |
| Journal Views Changes in World Situation [SHIJIE ZHISHI 16 Nov] | 8 |
| UN Development Program To Carry Out Projects [XINHUA] | 11 |
| Commentary on Changes in NATO Security Concept [XINHUA] | 11 |

United States & Canada

| | |
|--|----|
| Vice Minister Tian Zengpei Meets U.S. Official [XINHUA] | 12 |
| Results of Baker's Mideast Tour Viewed [SHIJIE ZHISHI 1 Dec] | 12 |

Southeast Asia & Pacific

| | |
|--|----|
| Li Peng Views Sino-Philippine Relations [RENMIN RIBAO 14 Dec] | 13 |
| Roundup on Development of Sino-Lao Relations [Beijing International] | 14 |
| Commentary Critical of Phnom Penh Peace Attitude [Beijing Radio] | 15 |
| Commentary Views Economic Relations With ASEAN [ZHONGGUO XINWEN SHE] | 16 |

Near East & South Asia

| | |
|---|----|
| Plan To Stick by Kuwait Until Crisis End [AFP] | 17 |
| Visiting Official Thanks Support [XINHUA] | 17 |
| Yang Shangkun Receives Delegation [CHINA DAILY 19 Dec] | 17 |
| Wan Li Discusses Gulf, Promotion of Ties [Tehran IRNA] | 18 |
| Wu Xueqian Receives Majles Delegation [Tehran IRNA] | 18 |
| Further on Li Peng's Visit to Sri Lanka | 18 |
| Meets Overseas Chinese [XINHUA] | 18 |
| Speaks on Socialism [ZHONGGUO XINWEN SHE] | 19 |
| Urges Better U.S. Relations [ZHONGGUO XINWEN SHE] | 19 |
| Further on Colombo Interview [XINHUA] | 19 |
| Views East Europe, USSR [XINHUA] | 20 |
| Given Gift of Eyeballs [XINHUA] | 21 |
| Arrives in Hainan [Haikou Radio] | 21 |
| New Pakistani Leader Seeks To Revitalize Country [XINHUA] | 21 |

NATIONAL AFFAIRS

Political & Social

| | |
|---|----|
| 17th Meeting of NPC Standing Committee Opens [XINHUA] | 23 |
| Wang Bingqian Explains Draft Tax Law [XINHUA] | 23 |
| Report on Draft National Emblem Law [XINHUA] | 23 |
| Chen Yun Assails Deng Xiaoping's Reforms [Hong Kong SOUTH CHINA MORNING POST 20 Dec] | 24 |
| Deng Xiaoping Writes Inscription 7 Dec [Wuhan Radio] | 25 |
| Secret of Deng Xiaoping's Good Health Revealed [ZHONGGUO XINWEN SHE] | 25 |
| Relatives of Wang Dan, Others Advised of Arrests [Tokyo KYODO] | 25 |
| Quanzhou Peasants Eagerly Purchase Mao Portraits [Hong Kong ZHONGGUO TONGXUN SHE] | 26 |
| Song Jian, Chi Haotian Visit Hi-Tech Fair [Beijing TV] | 26 |
| Yang Shangkun, Zou Jiahua Visit Fair [XINHUA] | 26 |
| Jiang Zemin, Hoang Van Hoan Meet in Beijing [XINHUA] | 26 |
| Qiao Shi, Others at Judicial Commendation Meeting [XINHUA] | 27 |
| Ding Guangen Meets Jiusan Society Members [XINHUA] | 27 |
| 1990 Census Communique No 5 Issued [XINHUA] | 27 |
| Noncommunists Named Special Procurators [XINHUA] | 29 |
| Peng Chong Praises Special Procurators [XINHUA] | 30 |
| Wang Bingqian Reports on Education Allocations [XINHUA] | 31 |
| Dual Leadership Over External Propaganda Viewed [Hong Kong TANGTAI 17 Nov] | 31 |
| Women's Federation Meeting Closes 10 Dec [RENMIN RIBAO 11 Dec] | 31 |
| Zhang Jichun's 'Selected Works' To Be Published [RENMIN RIBAO 15 Dec] | 32 |

Science & Technology

| | |
|---|----|
| Tianjin Develops 'Breakthrough' Ceramic Engine [XINHUA] | 33 |
| Satellites Aid Flood-Control Automation [XINHUA] | 33 |
| Floppy Disk Production Ranks Third in World [XINHUA] | 33 |
| Eight Experimental Desert Control Areas Planned [XINHUA] | 34 |
| High-Tech Methods Urged for Light Industry [CHINA DAILY 19 Dec] | 34 |
| Research Boost Urged for Traditional Medicine [XINHUA] | 35 |

Military

| | |
|---|----|
| First PLA Quick-Reaction Unit Observed [LIAOWANG 3 Dec] | 35 |
| Jiang, Yang Meet With Defense Scientists [XINHUA] | 37 |
| Yang Shangkun Visits High-Tech Exhibition [XINHUA] | 38 |
| PLA Political Department Chief Interviewed [Milan L'UNITA 18 Dec] | 38 |
| People's Liberation Army Reaps Good Harvest [XINHUA] | 39 |
| Xinjiang Commends Units for Promoting Unity [XINHUA] | 39 |
| Anhui Leaders See Recruits Off at Station [Hefei Radio] | 39 |
| Guangzhou Military Region Holds Party Congress [Guangzhou Radio] | 39 |
| Nanjing Region Begins Regularization Training [ZHEJIANG RIBAO 11 Dec] | 40 |
| Defense University Grants First Master's Degrees [XINHUA] | 40 |

Economic & Agricultural

| | |
|--|----|
| Bo Yibo on Importance of Product Quality [RENMIN RIBAO 16 Dec] | 40 |
| Zhu Rongji at Shanghai Securities Exchange Opening [XINHUA] | 46 |
| Shanghai Securities Transaction Regulations [JIEFANG RIBAO 12 Dec] | 46 |
| Wang Bingqian Praises Petrochemical Corporation [XINHUA] | 54 |
| Official Comments on 1991 Enterprise Reform [Beijing Radio] | 55 |
| Water Shortage Affects Production, Grain Output [XINHUA] | 55 |
| Minister Sets Cotton Production Strategy [XINHUA] | 56 |
| Vice Minister on China's Agricultural Harvests [XINHUA] | 56 |
| More on Chen Yaobang Comments [XINHUA] | 57 |

REGIONAL AFFAIRS

East Region

| | |
|--|----|
| Fujian Province Absorbs Taiwanese Investment [Hong Kong WEN WEI PO 14 Dec] | 58 |
| Jiangsu Governor Inspects Nantong City [XINHUA RIBAO 7 Dec] | 58 |
| Jiang Chunyun on Ideological Style Construction [Jinan Radio] | 59 |
| Shandong Province Holds Planning Conference [Jinan Radio] | 61 |
| 1991 Work Planned [Jinan Radio] | 62 |

Central-South Region

| | |
|---|----|
| Guangdong's 'Faster Pace' Economic Plans Viewed [Hong Kong SOUTH CHINA MORNING POST 19 Dec] | 63 |
| Shenzhen CPC City Committee Leaders Elected [ZHONGGUO XINWEN SHE] | 63 |
| Li Hao on Shenzhen's Opening Up Policy [ZHONGGUO XINWEN SHE] | 63 |
| Shenzhen Seeks Full Legislative Powers [HONGKONG STANDARD 20 Dec] | 64 |
| Henan's Rural Expansion in 7th Plan Noted [Zhengzhou Radio] | 64 |
| Henan To Further Improve Public Security [Zhengzhou Radio] | 65 |
| Hubei Antipornographic Work Meeting Reported [Wuhan Radio] | 65 |
| Xiong Qingquan Emphasizes Veteran Cadres' Role [Changsha Radio] | 66 |

Southwest Region

| | |
|--|----|
| Liu Zhengwei at Exhibition of Corruption Cases [Guiyang Radio] | 66 |
| Tibet Regional Chairman Views Propaganda Work [Lhasa TV] | 67 |
| Gyaincain Norbu Meets Armed Police Force Leaders [XIZANG RIBAO 10 Nov] | 68 |
| Arms Smuggling Along Yunnan Border Viewed [Hong Kong MING PAO 16 Dec] | 69 |

North Region

| | |
|--|----|
| Beijing Court Orders Execution of Repeat Offender [BEIJING RIBAO 18 Nov] | 69 |
| Xing Chongzhi Attends Opening of Center [HEBEI RIBAO 16 Nov] | 70 |
| Hebei Cities Elect New Party Leaders [HEBEI RIBAO 16 Nov] | 70 |
| Communications Equipment Destroyer Arrested [Hohhot Radio] | 70 |
| Wang Qun, Others Watch Modern Drama [Hohhot Radio] | 71 |
| People's Congress Standing Committee Ends [Tianjin Radio] | 71 |

Northeast Region

| | |
|---|----|
| Heilongjiang Rural Work Conference Opens [Harbin Radio] | 71 |
| Governor Speaks [Harbin Radio] | 72 |
| Sun Meets Shandong Group [Harbin Radio] | 73 |
| Heilongjiang State Farm Work Conference Concludes [Harbin Radio] | 73 |
| Sun Weiben Attends [Harbin Radio] | 74 |
| Farm Reform Discussed [XINHUA] | 74 |
| Sun Weiben Hears Planning Conference Report [Harbin Radio] | 75 |
| Heilongjiang Meeting on Leading Bodies Concludes [Harbin Radio] | 75 |
| Heilongjiang Holds Economic Observation Meeting [Harbin Radio] | 75 |
| He Zhukang Attends Provincial Planning Conference [Changchun Radio] | 76 |
| Delivers Report at Plenum [Changchun Radio] | 77 |
| Democratic Parties Briefed on Plenum Guidelines [Changchun Radio] | 79 |
| Jilin CPPCC Holds Forum on Economic Work [Jilin Radio] | 79 |
| Liaoning's Five-Year Agricultural Input Increases [Shenyang Radio] | 80 |

Northwest Region

| | |
|--|----|
| Gu Jinchi Attends 'Two-Support' Conference [Lanzhou Radio] | 81 |
| Song Hanliang on Enterprise Contract System [XINJIANG RIBAO 1 Dec] | 82 |

TAIWAN

| | |
|--|----|
| Japan Imposes Biggest Trade Barriers to Exports [CNA] | 83 |
| Philippines Firmly Against Taiwan Act [Manila PHILIPPINES NEWSDAY 19 Dec] | 83 |
| Investment Agreement Signed With Indonesia [CNA] | 83 |
| Trade Mission Ends Argentina Visit [CNA] | 84 |
| Trade Mission Visits Chile [CNA] | 84 |
| Mexico To Simplify Visa Procedures [CNA] | 84 |
| Reunification Committee To Discuss Draft Program [Taipei Radio] | 84 |
| Party-To-Party Talks Not Considered [Taipei CHUNG KUO SHIH PAO 13 Dec] | 85 |
| Time for Reunification Talks 'Not Yet Ripe' [Taipei TZU LI WAN PAO 13 Dec] | 85 |
| Mainland Scholars To Study Taiwan Land Reform [CNA] | 86 |
| President Reaffirms Efforts To Implement Reform [CNA] | 86 |
| Shrinkage in Foreign Exchange Reserves Expected [CNA] | 86 |
| Military Airport May Open for Civil Aviation [CNA] | 87 |

HONG KONG & MACAO

Hong Kong

| | |
|---|----|
| Li Peng Knew of Bank Move in Advance [Hong Kong MING PAO 19 Dec] | 88 |
| Bank Refuses Comment on Promise To Stay [Hong Kong SOUTH CHINA MORNING POST 20 Dec] | 88 |
| Power Company To Use Guangdong Power Station [Hong Kong SOUTH CHINA MORNING POST 20 Dec] | 89 |

General

Foreign Ministry Holds Weekly News Briefing

Shifter's Visit Helps Relations

HK2012130490 Beijing ZHONGGUO XINWEN SHE
in Chinese 1223 GMT 20 Dec 90

["Li Zhaoxing Says Shifter's Visit to China Is Conducive To Speeding Up Restoration of Normal Sino-U.S. Relations"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 20 Dec (ZHONGGUO XINWEN SHE)—This afternoon, Chinese Foreign Ministry spokesman Li Zhaoxing said: The working visit paid by U.S. Assistant Secretary of State Shifter to China is conducive to speeding up the restoration of normal relations between the two countries and the "atmosphere of the exchange of views is good."

When answering reporters' questions about Shifter's current visit to China, Li Zhaoxing also said that he deemed it good for both sides to exchange views in this manner.

Human Rights Talks Needed

HK2012101890 Hong Kong AFP in English 1009 GMT
20 Dec 90

[Text] Beijing, Dec 20 (AFP)—The foreign ministry here said Thursday that talks between Chinese officials and the U.S. assistant secretary of state for human rights, Richard Shifter, would help to restore bilateral relations.

But ministry spokesman Li Zhaoxing would not reveal details of the talks, saying only that Mr Shifter and Chinese officials exchanged views on Sino-U.S. ties and "other issues."

"I believe that this kind of exchange of views is beneficial... to the promotion of the restoration of relations between China and the United States," Mr Li told a weekly press briefing.

Mr Shifter said Wednesday before leaving here that he submitted a list of 150 prisoners to the Chinese authorities, among them activists in the 1979 and 1989 democracy movements, Roman Catholics, workers and Tibetans.

The "implication" from his visit, he said, was that human rights were now a part of bilateral relations and were not considered internal interference.

Mr Li did not refute this appraisal, saying only "to exchange views on human rights is one thing and to interfere in internal affairs under the pretext of human rights is another."

He added that "with regard to the question of human rights, we may have some differences but we are open to discussions."

Mr Li said human rights were a "very important issue," but the spokesman also chided foreign reporters for using the terms "political activist" and "dissident", saying journalists sometimes "make a fuss" about "trivial matters."

"Offenders should be called offenders and should not be addressed as (activists)," he said at one point, adding later that "you should not use the word dissidents."

China denies that it holds any political prisoners and Mr Shifter said the authorities denied to him that any activists involved in last year's protests were recently charged with "counter-revolutionary" crimes.

Mr Li said the Chinese judicial organs would handle the cases concerning offenders "strictly according" to Chinese legal procedure.

A conviction on counter-revolutionary charges carries a minimum five year prison sentence and a maximum penalty of death in China.

Announces Visit by Kuwaiti Amir

OW2012085090 Beijing XINHUA in English
0834 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—His Highness the Amir of the State of Kuwait Shaykh Jabir al-Ahmad al-Sabah will pay an official good-will visit to China next week at the invitation of President Yang Shangkun.

This was announced by a Chinese Foreign Ministry spokesman at this afternoon's weekly news briefing.

Condemns Palestinian Expulsions

OW2012084590 Beijing XINHUA in English
0835 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the Chinese Government has all along condemned the Israeli authorities' acts of expelling Palestinians from the occupied territories.

At this afternoon's weekly news briefing, the spokesman made these remarks in response to a question about China's attitude towards Israel's renewed expulsion of Palestinians from the occupied territories in the past few days.

He said, "We strongly call on the Israeli authorities to observe the norms of international law and the relevant U.N. resolutions and immediately stop expelling Palestinians from the occupied territories."

Urges Progress at Cambodia Meeting

OW2012093090 Beijing XINHUA in English
0920 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that China hopes the meeting between the cochairmen of the Paris

International Conference on Cambodia and the representatives of the four Cambodian parties will be able to make substantive progress.

He made these remarks in response to a question at a weekly news briefing today.

He said, "The Cambodian question has been protracted for as long as twelve years. We hope that the meeting between the cochairmen of the Paris International Conference and the representatives of the four Cambodian parties will be able to make substantive progress by removing obstacles and create conditions for the resumption of the Paris International Conference on Cambodia, so that a comprehensive, fair and reasonable political settlement of the Cambodian question can be realized at an early date.

"It is hoped that the Phnom Penh side will, having a clear understanding of the situation and going with the aspiration of the Cambodian people, accept the draft agreement on a comprehensive political settlement of the Cambodian question worked out by the cochairmen of the Paris International Conference on Cambodia and the five permanent U.N. Security Council members, and refrain from obstructing the process leading to a political settlement of the Cambodian question."

Notes New Holding Company

OW2012090590 Beijing XINHUA in English
0857 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—A Foreign Ministry spokesman, for the first time, commented on the recent announcement by the Hongkong and Shanghai Banking Corporation to set up a group-holding company, at the news briefing here this afternoon.

"We believe that as an important financial and commercial institution, the Hongkong and Shanghai Banking Corporation should see to it that any new measure it takes will help promote rather than undermine the stability and prosperity of Hong Kong," the spokesman said.

As provided for by the Sino-British Joint Declaration, he said, it is the responsibility of the Government of the United Kingdom to safeguard and maintain the social stability and economic prosperity of Hong Kong during the transitional period.

He said the Chinese Government has all along worked to maintain the stability and prosperity of Hong Kong for the benefit of Hong Kong residents and the benefit of both China and the United Kingdom.

"Our guiding principle and policy towards Hong Kong formulated on the basis of the concept of 'one country, two systems' will remain unchanged," the spokesman said.

World Bank Official Sees Return to 1989 Lending

OW1612072490 Beijing XINHUA in English
0658 GMT 16 Dec 90

[By Wei Guoqiang]

[Text] Washington, December 15 (XINHUA)—Vice President of the World Bank Attila Karaosmanoglu said that the bank is preparing to provide more loans to China to meet its needs in the near future.

"We're hoping to build up our lending activity to China to the levels which existed prior to 1989 in not a distant future," Karaosmanoglu said.

In an interview with this correspondent earlier this week, the bank's vice president for Asia region said that the World Bank "pays great attention to the needs of China...so we'll try to make full use of resources that are available to us to answer China's needs."

Karaosmanoglu, former deputy prime minister of Turkey and a veteran World Bank senior official since 1973, visited China and met with Chinese Premier Li Peng last month.

Commenting on China's economic situation, he said that China at this point "is in a very favorable position" to continue its process of economic reform.

"Since the heating of economy in 1987 and 1988, the government has taken serious measures, which put inflation under control and also put the macroeconomic magnitude to a reasonable level," Karaosmanoglu said.

China's "economic growth has somewhat slowed down, the balance of payments situation become stronger, and prices become moderate compared to late 1988 and part of 1989," he said.

As a result of this, he said, the export continues to increase, and foreign exchange reserves become stronger. China has realized a bumper harvest and is benefited from high oil prices, he added.

When discussing the challenges Chinese economy faces, Karaosmanoglu expressed the hope that China could work out a good plan to speed up economic reform and opening up while avoiding another heating-up of the economy.

He said that the long-term issues the Chinese economy faces are "ones related to a prudent macroeconomic management, which takes into account the economic relationship between the central government and provinces, especially in terms of allocation of resources and allocation of responsibilities."

Another challenge, he said, is to find a way "to avoid basic bottlenecks" such as shortage of transportation and power and environmental issues. Those issues "may stand in the way of future development," he stressed.

Talking about China's economic growth in 1991, he said that with prudent macroeconomic policies and continued opening up the economy, "China could very easily reach a very significant growth rate."

He said he saw some changes and improvement in the investment environment in China and there is an increasing interest in the direct foreign investment in China.

"There is an indication, especially, that the Overseas Chinese capital is starting to return back, which is very encouraging," he said.

With regard to the prospects of the suspended Uruguay Round of world trade talks, he said he hopes participants of the talks will reach some compromises.

"Asian countries, such as China and South Korea, while becoming more important participants in world trade, have to be prepared to reciprocate to opening up process," he said.

Asked if the trading blocks will be the world trade pattern in the future, he said, "Let's hope that it is not what will emerge at the end of these discussions (the Uruguay Round)."

He said that he hopes that the Gulf crisis would be settled peacefully. In this way, "we can expect to see a still better platform in Asia than in most part of the world."

U.S.-Iraqi Confrontation in Gulf Viewed

HK2012070790 Beijing SHIJIE ZHISHI in Chinese
No 23, 1 Dec 90, pp 10-11

[Article by Tong Feng (4547 6912) and Hong Qi (3163 1142) on 15 November: "One Hundred Days Have Passed Since the Outbreak of the Crisis; the United States Still Cannot Make an Appropriate Decision"—first paragraph is ZHIJIE ZHISHI introduction]

[Text] To win victory without firing a shot would be best for the United States, but Iraq has used this to draw the United States into an impasse...

Up to 10 November, the Gulf crisis had lasted 100 days alongside the military confrontation between the United States and Iraq. During this period, from time to time Washington announced the message about using force to solve the crisis; and Baghdad took a tit-for-tat position and pledged to fight it out against the enemy. Thus, international opinion was keen on predicting when war would break out. After more than three months, however, the United States still draws the bow without discharging the arrow, and the god of war has still not befallen the Gulf.

According to some international analysts, the United States is in fact the major factor affecting the course of the Gulf crisis, and holds the initiative on war. To view the situation from a different angle, one may conclude

that the United States has repeatedly delayed taking action mainly because it is constrained by various internal and external factors.

The United Nations is a major factor. It has played an active role in dealing with the Gulf crisis, and most of its member countries demanded that the Gulf crisis be settled in a political way. In the beginning, to win the sympathy and support of international opinion, the United States tried to use the banner of the United Nations to turn the conflict in the Gulf into a struggle between Iraq which staged the aggression, and the entire international community, which was carrying out anti-aggression. In the Americans' own words, they wanted "to keep in line with the international community as much as possible." Therefore, before the United States took action, it tried to make the UN Security Council adopt a resolution on authorizing it to take military action, thus laying an international foundation for the use of force. Most countries in the UN Security Council have tended, however, to do the utmost to strive for a peaceful settlement of the dispute. The Security Council successfully adopted 10 resolutions without explicitly stipulating that the United Nations would resort to force. At the UN General Assembly this year, although representatives of various countries condemned Iraq's aggression, no one indicated that the international community should use the means of war to force Iraq to withdraw its forces. The United States thus failed to acquire the authorization of the United Nations for using force, and it could not find the justification for it.

The differences among the Western allies also constituted a major constraining factor for the United States. Although the Western allies did not contradict the United States in principle, in their approach to the Gulf crisis, differences still exist with regard to the concrete solutions. France, Germany, Italy, and Japan all depend heavily on oil from the Middle East, and fear that once war breaks out, the supply of oil will be cut off and their economies will be seriously harmed. So on the one hand, they supported the U.S. tactic of "exerting pressure in order to cause changes" and cooperated with the United States in pursuing this tactic by offering money, weapons, and manpower; on the other hand, they also kept themselves at a distance from the United States, and held reservation or took an objection to the U.S. plan to settle the crisis through fighting a war. The Bush administration certainly does not want to see that the U.S. troops fight in isolation in the desert.

Anti-U.S. sentiments in the Arab world are getting higher and higher, and this has also increased the misgivings of the United States. After the outbreak of the Gulf crisis, the Arab countries generally held that the Iraqi-Kuwaiti conflict be settled "within the Arab framework." After the United States dispatched its troops to the Gulf, some Arab countries intensified their anti-U.S. tendencies. Then the Iraqi leader grasped this opportunity to propose that the settlement of the Gulf crisis be linked with the settlement of the Israeli-Arab conflict and to raise the anti-U.S. banner. This won sympathy

and support from quite a few Arab people. Among the 20 Arab countries, at least eight do not agree with the use of force against Iraq. Egypt, Saudi Arabia, and the United Arab Emirates, having no other choice under the pressing situation, have allowed the United States to send forces into the Gulf, but they are also worried that the United States will resort to force and war will inevitably mean disaster for their people. Egyptian President Mubarak told a press that once war breaks out, the Egyptian troops will cooperate with the Saudi troops but will not join in any U.S. action to attack Iraq. Under such circumstances, if the United States really uses force, it will have to continuously coordinate its position with the other countries concerned.

On the part of the United States, first, the deployment of the U.S. forces in the Gulf has not reached a degree that will absolutely guarantee its victory in a war. Up to 8 November, about 280,000 U.S. troops had been massed in the Gulf, but regular forces only numbered about 100,000. However, the number of Iraqi troops stationed in Kuwait and along the Iraqi-Kuwaiti frontier has reached some 430,000; and Iraqi forces also have about 4,000 tanks, 1,800 armored vehicles, and 1,450 big guns. Although the U.S. forces have superiority in terms of weapon quality, and naval and air forces, their ground forces and the quantity of weapons are inferior. According to some military experts, there is no precedence in history in which one can force the enemy to surrender merely by relying on one's air power. If military action is taken too quickly, the U.S. side might lose more than it will gain, or neither side would gain. Therefore, President Bush announced on 8 November that another 200,000 American troops would be sent to the Gulf and this would increase the U.S. military strength to 430,000 troops, 2,200 tanks, and six aircraft-carrier-led composite fleets. This ensured that the U.S. forces will have sufficient military offensive capacity when they need to take action.

Second, if a large-scale war occurs in the desert, the U.S. troops may suffer heavy casualties. Iraq is the first, largest military power in the Middle East, with 1.2 million regular troops, 3 million armed militiamen, 5,500 tanks, 500 airplanes, a considerable number of medium-range and short-range ballistic missiles, and biological and chemical weapons that can be used in a war. The Iraqi armed forces were also tempered through eight years' war against Iran. On the other hand, the U.S. troops, who are tired on the long expedition, lack combat experience in the desert. It is not easy to destroy Iraqi forces in one single move. According to some military experts, in the first 10 days after war breaks out, the number of American soldiers killed in action may reach 5,000, and the number of wounded soldiers may reach 15,000. In addition, it may take six months for the U.S. forces to achieve their expected goal, and then total casualties may reach 45,000. Such casualties are very close to those during the Vietnam War, and would be unbearable for the United States.

Third, in the United States, there are different opinions on the settlement of the Gulf crisis inside and outside the government. Baker, who is for a military solution, said: "Only by destroying Iraq's war machines can we fundamentally eliminate the source of expansionism in the Middle War; only by checking Saddam's expansion momentum can we maintain the free world's prosperity and stability." Kissinger also said that "mere economic sanctions against Iraq will not be effective, and military action should be taken immediately against Iraq." Those who are for a peaceful solution, however, hold that oil represents the strategic interests of the United States in the Middle East. Brzezinski said: "Liberating Kuwait is the duty of the international community." Former President Carter said that the United States should "fully realize the importance of negotiations." At the same time, anti-war waves among the public are surging. Anti-war unions have been set up in nearly 100 cities; and anti-war demonstrations have been staged in more than 20. According to the latest opinion poll, 73 percent of respondents held that the United States should wait longer to see whether the sanctions are effective or not; and only 21 percent said that it is necessary to take military action immediately. In view of these conditions, Bush, who does not like to go to the extreme, will not hastily engage the United States in a war, without having given consideration to his own political future.

The hostage issue is also a major factor to be considered as the United States makes its choice between war and peace. The fate of the hostages is an issue related to thousands of families. At present, about 3,500 Americans stranded in Iraq and Kuwait have been detained in various important military and government installations and various key facilities that may be attacked. In Saddam's own words, "this is a guarantee that will discourage the United States from launching an attack." Bush drew a lesson from the Carter administration's unsuccessful attempt to rescue hostages, and has not taken any reckless action.

The Bush administration still has to give consideration to many other issues, such as the commanding power over the joint action of the multinational forces, the domestic economic bearing capacity, and the future strategic balance in the Middle East.

In view of all this, the Bush administration has made full use of international opinion which is favorable to the U.S. side, to exert all-around pressure on Iraq through diplomatic isolation, economic sanctions, and military deterrence; it has not hastened to take military action. For the United States, the best solution is to settle the Gulf crisis without firing one shot. However, various signs at the moment show that the United States has not gained any ground although it has mobilized so many troops and dragged in lots of people. Iraq has employed dilatory tactics in order to wait for a change in the situation. The continuing impasse has exhausted the U.S. troops in the Gulf, and led to the self-destruction of the "international anti-Iraqi alliance" and the upsurge of the anti-war voice in the international community.

According to dispatches from foreign news agencies, U.S. decisionmaking circles are planning another way out and working out different countermeasures in order to add weight to the side of war on the balance between "war" and "peace." On 8 November, Bush said: "I am willing to see a peaceful settlement of the problem in the Gulf, this is what I hope for. I have never ruled out, however, the possibility of using force, as this is what we are doing now." Baker recently completed his trip to the Middle East and seven European countries to create a favorable international condition for the implementation of the United States' new Gulf policy. Bush will also visit the Middle East in late November. He will personally boost the morale of the U.S. officers and servicemen when inspecting the front, and will hold a new round of talks with the Egyptian and Saudi leaders on matters concerning the use of force to solve the crisis.

It can be expected that in the next two months, the United States will continue to pursue the double-track policy of striving to win without fighting a war and also preparing to win a war if military action must be taken. It will attach importance to the comprehensive use of various means in fighting the diplomatic war, the economic war, the psychological war, and the propaganda war, and will also lay stress on the importance and urgency for military means. It will not be overanxious for a quick solution and will not act recklessly; at the same time, it will also try to prevent itself from becoming mired in a prolonged deadlock of confrontation with Iraq. It will not block the door to negotiations and will leave room for maneuver for a political settlement; at the same time, it will also be determined to severely punish the Saddam regime. All this means that the Gulf crisis will continue to last for a certain period in a stalemate of "no war, no peace" amid the glint and flash of cold steel between the United States and Iraq. Of course, there are still many complex and complicated variables that may affect the Gulf situation. Unexpected events may occur all of a sudden at any time. Close observation is still necessary with regard to what action the two sides will take.

'Yearender' Examines New USSR-U.S. Relations

OW2012090990 Beijing XINHUA in English
0848 GMT 20 Dec 90

["Yearender: Frequent Summit Talks Reshape Soviet-U.S. Relations (By Wu Jin)"]—XINHUA headline]

[Text] Washington, December 19 (XINHUA)—A growing rapport out of mutual pressing needs in the relations between the United States and the Soviet Union—the two arch-rivals of yesterday—will be dramatized at their fifth summit in a little over one year, slated for mid-February next year in Moscow.

This unusually frequent two-way diplomacy at the top-most level in the past year reflects, to some extent, a genuine improvement in bilateral relations, though it has

been prompted by growing superpower interdependence in face of sweeping changes throughout the world.

When George Bush came to power a year ago, his mind was full of misgivings about Mikhail Gorbachev's "perestroika" and "glasnost": is it a real policy conversion or a scheme to secure more elbow room in an international game?

The Soviet stance of non-interference in Eastern Europe's upheavals last year made the "prudent president" feel certain of a policy conversion.

Given this conviction, Bush took the initiative to propose the first summit at Malta early last December when changes in Eastern Europe were in full swing. He assured Gorbachev of Washington's full respect for Moscow's "legitimate security interests" in Europe and substantial economic and technological aid in reward for the new Soviet attitude towards Eastern Europe. Bush also called on Gorbachev to produce a "new thinking in foreign affairs" in regard to Central American issues.

Their second summit meeting took place in late May and early June this year at a time when the Nicaraguan conflict had been "solved" in favor of the Americans, the dust of changes in East Europe had settled down and the issue of German reunification reared its head.

Officially, this summit was supposed to discuss the international status of a united Germany. While the Soviet side found it hard to hold to its former position of opposing the NATO membership of a united Germany, the Americans did not want to press the Soviet Union too hard on the question of the three Soviet Baltic republics which wanted to claim independence.

In other words, both sides turned a blind eye on each other on the two sensitive issues. The summit was in fact directed towards their post-Cold War bilateral relations.

Later events indicated that joint superpower efforts in seeking a solution to regional issues have become an important aspect of the Soviet-U.S. relations. Since the existing regional problems were created by the rivalries of the two superpowers in the past few decades, they cannot possibly be solved in a comprehensive manner without the cooperation of the Soviet Union. The Gulf crisis is a case in point.

At the outset of the Gulf crisis, the Soviet Union stood definitively by the United States in opposing Iraq, thereby playing an inestimable role in the U.S.-led multinational coalition unmatched by other Western countries.

The Helsinki summit held on September 10 dramatized the Soviet-U.S. accord on the crisis, which served to strengthen the resolve of other countries to turn tables on Iraq, thereby increasing the pressure on Iraqi President Saddam Husayn.

During the third summit, which took place in Helsinki, the United States succeeded in demonstrating Soviet-U.S. unity in dealing with Iraq, on the other hand, the professed U.S. readiness to permit Soviet participation in seeking a solution to the Middle East problems undoubtedly contributed to raising the international prestige of the Soviet Union.

Moreover, George Bush went a step further to reiterate his willingness to render economic and technological assistance to the Soviet Union.

Bush and Gorbachev met in Paris in mid-November during the summit meeting of the Conference on Security and Cooperation in Europe (CSCE). They signed the Treaty on Conventional Forces in Europe (CFE) and the Paris Charter, both of which symbolized the ultimate collapse of the Yalta system and an end to the Cold War between East and West.

Nowadays, even Soviet leaders would admit that their country is in difficulties and a state of instability. The powers of the central authorities are being enfeebled, the separatists have become more active, many federative republics are pressing for independence, the transportation and distribution systems are being paralyzed, and shortages in food, medicine, energy and other commodities are becoming ever more acute.

In these circumstances, the Soviet Union is all the more in need of support and aid from the United States and other Western countries.

The West has been watching closely the developments in the Soviet Union. Germany, some other West European countries and Japan have promised to give the Soviet Union several billion U.S. dollars in aid and credit, while the United States has decided to provide Moscow with one billion dollars in credit for buying American food. Washington has also expressed its readiness to give technical help to the Soviet Union.

Politically, the United States and other Western countries have begun to respond to the Soviet federative republics' demand for independence much more cautiously than ever before. They have showed understanding towards the Soviet central government's dispatch of troops and police to some of the republics to deal with the chaos there.

Whenever the United States expressed its support for the Soviet Union, it made no bones about its motive to seek self-interest.

Announcing a package plan on aid to the Soviet Union at a press conference on December 12, U.S. President George Bush said, "The Soviet Union is facing tough times." "I believe that this is a good reason to act now in order to help the Soviet Union stay in the course of democratization and to undertake market reforms," he noted. Bush also stressed that it would benefit the United

States "if the Soviet Union is able to play a role as a full and prosperous member of the international community of states."

On the same occasion, Secretary of State James Baker also said that the Soviet efforts towards political reforms and the market economy are very beneficial to the United States and that Soviet instability is not in keeping with the interests of the United States or the whole world.

Obviously this reflects the views of other Western countries. British Foreign Secretary Douglas Hurd said recently, "It will not conform with the interests of both Europe and Britain if the Soviet Union falls into a state of anarchy."

Meanwhile German Chancellor Helmut Kohl maintained that it is worthwhile to help Mikhail Gorbachev because "if the Soviet Union undergoes great political changes we will pay a higher price."

This is an clear indication that the Western countries, though having some reservation in aiding the Soviet Union, like to support the current Soviet Government headed by Gorbachev simply because they do not want to see a chaotic, divided and famine-stricken Soviet Union, which will be a tremendous challenge for them to meet.

'Yearender' on Swift Changes in World Order

*OW1912112490 Beijing XINHUA in English
1036 GMT 19 Dec 90*

["Yearender: World Fabric Experiences Swift Changes
(By Wang Chongjie)"]—XINHUA headline]

[Text] Beijing, December 19 (XINHUA)—The year 1990 has witnessed a crumbling of the old world fabric which had been in shape since World War II, and the whole world is now facing the challenge of establishing a new international political and economic order when a new global fabric is yet to be formed.

Meeting in Tehran, Yalta and Potsdam at the end of World War II to make arrangements for a post-war international order, leaders of the Soviet Union, the United States and Britain divided Europe and the Far East into their spheres of influence under what has come to be known as the Yalta system, with the two superpowers—the United States and the Soviet Union—posted on two opposite poles.

However, the post-war years saw a fast deterioration of the superpower relations. A new global pattern based on the Yalta structure and marked by direct U.S.-Soviet confrontation came into being. It was also characterized by confrontation between two military blocs—the U.S.-led NATO and the Soviet-controlled Warsaw Pact Organization—and the superpower struggle for influence in the Third World.

Against the backdrop of a protracted cold war and an ever-intensifying arms race, local wars and armed conflicts involving the superpowers directly or otherwise broke out here and the superpowers became enfeebled with the erosion of the Yalta system in the past few decades.

The polarized global fabric first broke in Asia when China stood up relationship between China, the United States and the Soviet Union began to be established in the early years of the 1970s. [graf as received]

In Europe, the old political framework based on the Yalta agreement has also collapsed.

Beset with political, economic and ethnic crises at home, the Soviet Union has re-adjusted its foreign policy by fostering "partnerships" with the United States and West Europe and pulling its troops out of East Europe.

The Warsaw Pact Organization is actually paralyzed and the Council for Mutual Economic Assistance (Comecon) exists only in name, following the changes that have taken place in East European countries since last year.

The ultimate reunification of Germany on October 3 was an important landmark indicating the final collapse of the Yalta system.

The West European countries, with 12 of them organized into the European Community, have demonstrated a great economic strength.

Since the Soviet Union ceases to be a threat to West Europe and the Warsaw Pact is actually in a state of collapse, the United States can hardly find a pretext for sustaining its military presence in West Europe.

Last November, 22 member countries of the NATO and of the Warsaw Pact Organization issued a joint statement at the Paris Conference on Security and Cooperation in Europe, declaring an end to the 40-year division and confrontation in Europe.

The crumbling of U.S.-Soviet polarization shows that the world can no longer be dominated by one or two superpowers.

The present world structure is characterized by a gradual but speedy multi-polarization.

Although the United States remains the world's most powerful economic and military power, its hegemonic status has been on a decline. The share of U.S. gross national product in the world's total has dropped sharply. The United States is facing stern challenges from Japan and the European Community in the economic and scientific and technological fields. Its huge military spending has become a heavy burden and the nation is deep in financial deficits and domestic and foreign indebtedness.

The Soviet Union remains a strong military power, but lags behind at the economic, scientific and technological

level. Its domestic situation is unstable and fraught with acute contradictions of all kinds. Its GNP is smaller than that of Japan and Germany, but its production potentials are something to be reckoned with. Armed with big nuclear power, it is still the only worthy rival of the United States in the world.

The 12 EC countries are more powerful than the United States in terms of GNP. An emerging powerful Germany with big economic, scientific, technological and military potentials will produce an unpredictable impact on the future world fabric.

Japan has become the second-largest economic power in the world. It is predicted that by early 21st century, Japan's absolute GNP value will have equaled that of the United States. It is also noteworthy that Japan is speeding towards a world political power while expanding its military strength.

China is endowed with a great national strength in all fields and has broad prospects of development. The Chinese people are advancing along the socialist road with Chinese characteristics. China's GNP doubled in the 1980s and is expected to redouble in the 1990s. Adhering to the policies of reform and opening to the outside world, China has become an important factor contributing to peace and stability in Asia and the rest of the world.

The Third World countries have become one entity and are playing an important role in the world arena. The Third World is also an important force in the efforts to establish a new political and economic order of the world, which is a must in the transitional period between the two global fabrics.

The present international relationship and global situation are known for their complicity and changeability. Facts have showed that multi-polarization has become a reality.

Suggestions vary as regards the future international relationship and pattern of strength. Some people advocate the more political color for the rich countries' club; some are planning a tripolar structure comprising the United States, Europe and Japan, or Japan, Germany and the United States; still others suggest the formation of a cooperation belt of the north.

Opinions differ, too, on the future structure of Europe. While Washington advocates the creation of a new Europe based on new Atlantism; Moscow suggests the setting up of a European common house. The European Community attempts to form a united, free Europe of its own design, and some East European leaders want to see a change of the status quo of "two Europes—the rich and the poor."

With Germany's unification having become a reality, people tend to ask whether it is possible to form "a Germany of Europe" or "a Europe of Germany."

The Gulf crisis has also drawn the world's attention.

More and more people have been compelled by circumstances to talk about a new international order. But the focus of the matter is: Under what principle should such an order be established?

The post-war history and latest developments have showed that hegemonism and power politics, in whatever form they may appear, can only lead to conflicts and endanger world peace and development. The normalization of international relations can only be achieved on the basis of the five principles of peaceful co-existence, and only a new international political order based on the five principles can conform with the interests and wishes of the people in different countries.

The future international political order should consist of the following contents:

- Each country will have the right to choose its political, economic and social system according to its own conditions;
- All countries, the big powers in particular, shall abide by the principle of non-interference in the internal affairs of other countries;
- Countries shall respect each other, seek common grounds while reserving differences, live in peace and harmony, give equal treatment to each other and cooperate for mutual benefits;
- International conflicts shall be resolved by peaceful means without resorting to force of arms;
- Each country, whether big or small, strong or weak, shall have the right to participate in the effort to solve world issues.

The establishment of such a new order will be conducive to world peace and development. This is also an irreversible trend in world history.

Journal Views Changes in World Situation

HK1912055490 Beijing SHIJIE ZHISHI in Chinese
No 22, 16 Nov 90 pp 2-3

[Article by Sa Benwang (5646 2609 2598): "A New Pattern Bearing the Brand of the Old"—first paragraph ZHIJIE ZHISHI introduction]

[Text] The "Cold War" cannot be regarded as something of the past and uncertain factors still exist in U.S.-Soviet relations. The development of the multipolar tendency in the world is irresistible. Instability under "great peace" must not be neglected.

When the decade of the 1990's began, the depth and scope of the drastic changes in the international situation had not been seen in the period after the end of World War II. There are different opinions on how to view such changes, how to describe the basic characteristics of the contemporary world, and how to predict the orientation of the future international strategic pattern. In my

opinion, in accordance with what has occurred and what is happening, it seems that the following main characteristics are found in the current and the foreseeable future international strategic pattern:

First, Europe will develop in the orientation of "integration."

The drastic changes in the European situation constituted the precursor and center of the major changes in the international strategic situation. The key factor that led to the redefining of the political map in Europe was the series of major disturbances in the East European countries since the fall of 1989. At present, the East European countries have all: Adopted the multiparty system and the parliamentary system in the political field; carried out wholesale marketization and privatization in the economic field; started all-around opening up in the diplomatic field; and have pursued a "purely defensive" strategy in the military field. They have demanded that the Soviet Union withdraw its troops from Eastern Europe as soon as possible. The Warsaw Pact organization has ceased to exist except in name.

With the disintegration of the Warsaw Pact, NATO, as its opposing body, also lost the basic grounds for its existence. Although NATO may still be maintained for a fairly long time due to various considerations, its character will undergo major changes. It will no longer be a military bloc aimed at "containing" the Soviet Union and the Warsaw Pact, but will just continue to function as a bond of the "partnership" between the United States and Western Europe and as a bridge for coordinating relations between the West European countries. In early July this year, the "London Declaration" from the NATO summit meeting declared: "NATO needs to make certain changes and should strengthen its political functions," while reducing its military color. U.S. President Bush also said that NATO was changing from a military-political organization into a political-military organization.

The disintegration of the Warsaw Pact and the change in the functions of NATO indicated that the "Yalta structure" established in the early postwar period was collapsing and Europe, which was marked by the confrontation between the two major blocs, entered a new period of gradually realizing "integration." Europe will no longer be the sphere of influence under the control of the United States and the Soviet Union and it will become a "Europeans' Europe." The situation whereby the two superpowers divided and ruled Europe separately, is now being changed. Political, economic, and cultural exchanges and cooperation between East and West European countries will develop extensively. Although it will still take time to realize "Europe's integration," the possibility of such integration has become more apparent. The European Community will realize political and economic integration in 1992 and many East European countries have also asked the EC for admission. According to the current tendency, the "CSCE," which includes all European countries, will reinforce its

role and influence and may change from a "forum" on the issue of European security into an institution of integration with substantial functions in promoting all-around cooperation in the political, economic, military, cultural, and social fields in Europe as a whole. The NATO summit meeting in early July put forward an important proposal on expanding the institution of the CSCE and strengthening its role and this has won positive response from the Soviet Union and the East European countries.

Second, the East-West military confrontation is going to end but economic competition and political differences are intensifying.

The military confrontation between NATO and the Warsaw Pact is undergoing rapid changes and this has produced far-reaching influence. At the coming CSCE session in mid-November, the treaty on reducing conventional armaments in Europe will be officially signed. This will determine the steps for scaling down the military confrontation in Europe in the legal form of a treaty, in accordance with which the European countries will gradually reduce their troops and armaments and the United States and the Soviet Union will gradually withdraw their forces from Europe. It is possible that Europe will no longer be the hotbed for another world war. As far as the military confrontation and the danger of war are concerned, the East-West "Cold War" is being brought to an end. It is still too early, however, to assert that the "Cold War" has become something of the past. As a historical outcome of the postwar East-West relations, the "Cold War" had a certain special meaning and referred to all hostile activities, beyond direct armed conflicts, between the East and the West. At present, the arms race and the military blocs, as "vestiges of the cold war," still exist; and Europe remains a region where armaments are highly concentrated. So, the wariness between the East and the West has not been completely removed.

A more noticeable fact is that when East-West military confrontation gradually eased up, the competition among various countries, especially among the big powers, in comprehensive national strength was getting more and more intense. Economic competition is likely to rise into the main form of international competition and the rivalry for the high ground in the field of science and technology is where competition is most intense. In the competition in comprehensive national strength, the United States will continue to maintain its leading position in the 1990's and even in the early years of the 21st century but its status in terms of strength will sink relatively. Japan and Western Europe will pose an ever sterner challenge to the United States, and the contradictions and frictions between the United States, Japan, and Europe will become more and more salient. Bergsten, a famous American scholar, said that in the future, the world economy will change from a pattern where the United States holds the dominating position into a three-pole pattern with the United States, Japan, and Europe standing like a tripod. The three major economic

forces will replace the two superpowers, who were engaged in nuclear competition, as the forces determining the world situation in the 21st century. In addition, economic development in the Asia-Pacific region will be fast and of great momentum and its weight in the world economy will continue to increase.

The relaxation of the military and security situation does not mean that the basic contradictions in the postwar world have been solved; on the contrary, the struggle between the two systems and ideologies has obviously become fiercer. That the Bush administration dished out and pursued the "overhead containment" strategy indicated that while relaxing "tough confrontation" against the East the Western countries, headed by the United States, were stepping up their "soft offensive." They took advantage of the difficulties in the socialist countries to launch a psychological attack. They intensified the offensive of "peaceful evolution." They alternately employed the "stick" and the "carrot" by imposing sanctions against the countries which adhered to the socialist road and offering support and assistance to the countries which tried to develop in the orientation expected by the Western countries. Thus, the struggle between evolution and anti-evolution will become a prominent phenomenon in the future international struggle.

Third, a kind of "new partnership" is being built between the United States and the Soviet Union but many complicated and uncertain factors remain in U.S.-Soviet relations.

The tendency of detente will continue in U.S.-Soviet relations. Obvious progress has been made in bilateral disarmament talks. Following conclusion of the conventional disarmament agreement, agreement will also be reached soon in their talks on restricting strategic weapons. There is a declining tendency in military expenditure and the forces of the United States and the Soviet Union. Both sides are now reducing their troops stationed along the fronts in Europe and Asia. The two countries have also regularized their high-level contacts and have gradually increased their economic and trade cooperation. On 9 September, at the U.S.-Soviet summit meeting in Helsinki, the two sides indicated their common willingness to establish a kind of "new partnership." The U.S.-Soviet cooperation in dealing with the Gulf crisis was a vivid demonstration of such "new partnership." The United States and the Soviet Union twice issued joint statements condemning Iraq. The Gulf crisis was the first regional conflict unrelated to U.S.-Soviet rivalry for hegemony.

The "new partnership" does not indicate that U.S.-Soviet relations have entered a new era of all-around cooperation. Many complicated and uncertain factors still exist in U.S.-Soviet relations. First, the "new partnership" between the United States and the Soviet Union is not a relationship based on genuine equality; instead, it is preconditioned by more concessions and compromises made by the Soviet side and is obviously

characterized by the offensive and advancing posture of the U.S. side and a defensive and retreating posture by the Soviet side. Such a relationship is not stable. **Second**, the two sides hold opposite strategic objectives. The United States pursues the "overhead containment" strategy to include the Soviet Union in the Western body headed by the United States and reduce the Soviet Union to being its second-class "partner." While making efforts to carry out domestic reform and boost the economy, however, the Soviet Union is trying to increase its comprehensive national strength to maintain its status as a superpower and to stand on an equal footing with the United States. **Third**, the two sides still match each other in military strength and the peace under the condition of "mutual deterrence" is still rather fragile. So far, the two sides' relationship as major rivals in terms of strategy has not yet been completely changed. **Fourth**, the future development of the Soviet Union's domestic situation will have a major impact on U.S.-Soviet relations.

Fourth, the world's multi-polar tendency will continue to develop.

In the foreseeable future, U.S.-Soviet relations will remain a major factor that has a bearing on the overall strategic international pattern but, as the international status of the United States and the Soviet Union will decline relatively and the new forces will rise, their capacity to manipulate world affairs will continue to decline and the bipolar structure will continue to weaken. The world will continue to develop in the orientation of becoming multi-polar.

Today, Japan's GNP exceeds that of the United States, being about 150 percent as much as the latter. Japan's per capita GNP is also higher than that of the United States. The United States has become the world's largest debtor country, while Japan has become the world's largest creditor country and also the largest U.S. creditor. The net value of Japan's overseas assets exceeds \$200 billion. Being backed by its solid economic strength, Japan has taken an increasingly active part in international affairs and has been trying to become a political power. In the recent Gulf crisis, the United States could not but request assistance from Japan and Japan has promised \$4 billion to cover the expenses of the U.S. troops and the Arab joint forces. Many renowned personages in the United States predicted long ago that in the early 21st century, Japan would become a major challenger to the United States.

The European Community as a whole has greater potential than Japan and its total GNP exceeds that of the United States. Huntington, director of the Harvard University International Affairs Center, anticipated: "If the 21st century is not the century of the United States, then it can only be the century of Europe." On 3 October this year, Germany realized its reunification at a faster speed than expected and this will certainly produce far-reaching influence on the strategic pattern in Europe

as well as in the whole world. Germany after reunification has a total population of 80 million people and its GNP tops \$1,500 billion. So, it is very likely to become another major challenger to the United States.

The development of various regional alliances and the rise of various regional powers also constitute major symbols of the world's multi-polar tendency. They are contending for greater influence in their own regions and this will inevitably weaken the influence and control of the United States and the Soviet Union in these regions.

Fifth, North-South contradiction has become more salient and regional conflicts have been continuously increasing.

While East-West relations have been relaxing, the North-South contradiction has become more and more salient. The main reason is that the economic gap between the North and the South has been further widened and most Third World countries are bogged down in a difficult position. In 1988, the economic growth rate of the developing countries was merely 2.9 percent. This was not only lower than the world's average growth rate of 4.3 percent but also lower than the population growth rate in the developing countries. Therefore, the per capita national income there was even lower than the 1980 level. Many developing countries are heavily in debt and the total amount of their foreign debts exceeded \$1,300 billion, accounting for 40 percent of their total GNP. In the field of international production, many developing countries have in fact become raw material suppliers and processing plants for the developed countries. Therefore, changing the old international economic order has become an urgent task for establishing a new international strategic pattern.

Although the factor of peace is increasing in terms of the possibility of preventing a new world war, the uncertainties and instabilities under the "great peace" must never be neglected. In fact, local conflicts and regional conflicts have been increasing unceasingly. Racial contradictions, religious differences, border disputes, struggles for territory and resources, the proliferation of high-tech weapons, and the rivalry for regional hegemony have brought about complicated and tense situations in many regions. On 2 August, Iraq's armed occupation of Kuwait fully showed that the East-West detente did not guarantee universal peace. Power politics still exists and the military means still works.

In the Gulf crisis, people found that the United Nations' role was important. It can be expected that as the largest, most important, and most authoritative global institution by common consent, the United Nations will play a greater and greater role as the real center of international consultation and joint action in the future international strategic pattern.

In short, in the foreseeable future, the world will continue to be a drastically changing world, a turbulent and uncertain world, a diversified world, and a world containing

multiple patterns. Various forces will constrain and contain each other, various contradictions will be interwoven, and the world will advance along with the complicated and intense struggles.

UN Development Program To Carry Out Projects

OW1812024990 Beijing XINHUA in English
0104 GMT 18 Dec 90

[Text] United Nations, December 17 (XINHUA)—The U.N. Development Program (UNDP) will spend 176.6 million U.S. dollars on projects in China over the next five years, according to the latest issue of "UPDATE" of the UNDP.

This amount represents the largest UNDP program worldwide in a country. The UNDP has already spent a total of 134 million dollars in China since 1986.

The UNDP's program in China features two UNDP development innovations: transfer of knowledge through expatriate nationals (Tokten) and the U.N. International Short-Term Advisory Resources (UNISTAR).

The Tokten brings specialists of Chinese origin, who live abroad, back to their homeland for two to eight week consultancies. The Tokten fields range from aerospace engineering, computer science and management development, to oil prospecting, patent law and plant genetics.

The UNISTAR program supplies non-Chinese specialists who are willing to conduct short-term consultancies for little or no remuneration in the fields of banking, science and technical research.

Commentary on Changes in NATO Security Concept

OW2012073090 Beijing XINHUA Domestic Service
in Chinese 0747 GMT 19 Dec 90

[Commentary: "Changing Trend of NATO's Security's Concept," by XINHUA reporter Yang Yuanhua (2799 0337 5478)]

[Text] Brussels, 18 Dec (XINHUA)—The two-day NATO foreign ministerial meeting ended in Brussels today. It was a meeting to review the situation and analyze NATO's future tasks. Although no concrete decision was made, the meeting communique and foreign ministers' speeches revealed some important changes in NATO's security concept and policy.

Over the past year, the situation in Europe has undergone drastic changes—the dissolution of the Yalta system, reunification of Germany, the Warsaw Pact existing in name only, and turmoil in the Soviet Union and Eastern Europe. All these changes are posing new challenges to NATO. The foreign ministers hotly debated how to readjust NATO's strategy and change its role in order to cope with the new situation.

The United States has ardently advocated a smaller military and bigger political roles for NATO; it has demanded that its Western European allies shoulder more security responsibilities within the NATO framework and play and strengthen their role as the pillar of Europe. Meanwhile, the Western European countries have stressed even more the need to bring into play their independent role as the pillar of Europe. The conference of EC heads of state held last weekend have set the implementation of a common foreign and security policy of Europe as the main goal for establishing a political alliance.

On the issue of regional crises, some European countries that hold different views from the United States have consistently opposed NATO taking action outside the European defense zone. France is clearly against NATO playing a role in regional crises.

Differences on the future role and strategy exist within NATO. Some members call for reducing NATO's military expenditure, changing its role, and readjusting its military strategy, while others want to continue to maintain and strengthen effective conventional and nuclear forces. Still others are unwilling to deploy nuclear guided missiles on their territories. The United States and Britain believe that nuclear weapons still occupy an important position in NATO's future strategy.

The readjustment of NATO's strategy is an arduous task, which involves the defense strategies and budgets, troop deployment, and weapons and equipment of various countries. A tentative plan is expected to be worked out next year after discussions and preparations for a given period of time.

In spite of all these, the meeting put forward some noteworthy views regarding security and economic issues.

First, the meeting stressed the need to redefine the security concept and expand the scope of security challenges, including the proliferation of large-scale destructive weapons, increasing cooperation in security, and countermeasures to deal with challenges to security from any region.

Second, the meeting communique pointed out that "security and stability cannot be acquired with military means alone," and stressed the need to "strengthen the political role of the alliance" so that NATO can become not only the security link between North America and Europe but also the basis for extensive cooperation.

Third, focusing attention on the economic gap among countries, the meeting called for "efforts to avoid a grave economic gap which might become a line to divide the European continent."

Fourth, the foreign ministers were more apprehensive about unpredictable strategic consequences that might arise as a result of instability during the rapid and

thoroughgoing political changes than aggression by former enemies against the territories of allies.

United States & Canada

Vice Minister Tian Zengpei Meets U.S. Official

OW1812161290 Beijing XINHUA in English
1542 GMT 18 Dec 90

[Text] Beijing, December 18 (XINHUA)—Chinese Vice-Minister of Foreign Affairs Tian Zengpei met with U.S. Assistant Secretary of State Richard Schifter here tonight.

U.S. Ambassador to China James Roderick Lilley was present at the meeting.

Schifter arrived here Monday for a working visit in Beijing and Shanghai at the invitation of the Chinese Foreign Ministry.

He is scheduled to exchange views with Chinese officials on Sino-U.S. relations and other issues.

Results of Baker's Mideast Tour Viewed

HK1912055990 Beijing SHIJIE ZHISHI in Chinese
No 23, 1 Dec 90 pp 7-9

[Article by Ni Tongjun (0242 4547 6511) and Cao Dahong (2580 1129 3163): "Baker's Eastern Tour Yields Results"]

[Text] As the Gulf crisis began to present an unfavorable scenario to the United States, U.S. Secretary of State Baker visited Bahrain, Saudi Arabia, Egypt, Turkey, the Soviet Union, Britain, and France from 3 to 10 November, where he held talks with the leaders of these seven countries on the current Gulf situation. He also met with the Kuwaiti emir in Saudi Arabia and with China's foreign minister in Egypt on the same topic. This was Baker's third trip to the Middle East and Europe since the outbreak of the Gulf crisis.

There are two problems with the current U.S. situation in the Gulf. One, as the international community carried out various diplomatic efforts toward a peaceful settlement of the Gulf crisis, the United States has applied pressures on three areas—diplomatic isolation, economic sanctions, and military deterrence—on Iraq and adopted a strategy of "forcing change through pressure"; however, so far this has borne very little result. Iraq's response is the "delay tactic." It has ordered a general mobilization for war and, backed by a million-strong military, is determined to engage the United States in a protracted war of attrition. Iraqi Government officials have repeatedly warned that if attacked, Iraq will launch its first missile toward Israel, blow up the oilfields in the Gulf region, and adopt extraordinary measures to retaliate against the concerned states. These "counterintimidation" measures mean that the Gulf crisis will continue to be in a stalemate for some time to come.

Two noticeable cracks have appeared in the "international anti-Iraqi alliance." Some Arab states have, one after another, presented a "double withdrawal" programme, that is, withdrawal of Iraqi troops from Kuwait and of foreign armies from the Gulf region. They are inclined toward a compromise with Iraq at the price of ceding land and paying compensation. Even important Saudi Government officials have revealed similar ideas to the press recently. Meanwhile, the Soviet Union and France have repeatedly stressed the need to resolve the crisis through political means, and have come up separately with programmes, described by some U.S. officials as "partial solutions." They are: Iraq will keep an oilfield and two islands belonging to Kuwait and a special relation will be established between Iraq and Kuwait. Of particular note is the "hostage game" recently played by Iraq. By treating the Western countries individually and releasing some of the hostages step by step, it sought to divide the "West's anti-Iraqi united front." A number of world-renown personalities, including former British Prime Minister Heath, former FRG Chancellor Willy Brandt, former Japanese Prime Minister Nakasone, and former Danish Prime Minister Jarsen, flew to Baghdad for talks with President Saddam Husayn on the question of hostages from their respective countries. The Bush administration was very concerned that Saddam's "hostage diplomacy" could prompt certain countries to make behind-the-scene deals with Iraq and lead to "two voices" in the "anti-Iraqi alliance."

In view of the above-mentioned developments, the highest decisionmaking body in Washington began to deliberate on new strategies to settle the Gulf crisis. The focus of its strategy shift was: Simultaneous with efforts to further consolidate the "international anti-Iraqi alliance" and "step up political, diplomatic, and economic pressures on Iraq, to concentrate on laying the foundation for the use of force against Iraq." A U.S. diplomat based in the Gulf privately admitted that "Baker's mission on this trip was not to secure the green light for its military offensive against Iraq from its Arab and European allies, but to solicit their opinions on the adoption of this option as a last resort and to formulate some basic principles for the use of force once this necessary." To this end, the United States adopted a dual approach: On one hand, it drew up a draft resolution calling for UN endorsement of use of force against Iraq and sought early formal Security Council approval; on the other hand, it continued to send troops to the Gulf. Hence, the primary objective of Baker's trip was to sound out its allies. He explained the U.S. position to the allies and friendly states, and at the same time, listened to their views. He sought to forge the greatest possible harmony between the United States and its allies in order to lay the international foundation for its new countermeasures on the Gulf, including resorting to military action.

Judging from reports by both the domestic and international press, Baker's trip appeared to have reaped its rewards. First of all, the United States and the Soviet Union reached a new consensus on settling the crisis,

that is, they both expressed hope for a peaceful solution of the Gulf crisis, but at the same time, did not rule out the use of force; cooperation since 2 August has been effective and this kind of cooperation was to be maintained; all resolutions approved by the UN Security Council should be fully implemented. After his talks with Baker, Shevardnadze explicitly indicated: "If peaceful measures do not work, then the possible use of force should not be ruled out." He also predicted that "a real situation where such a decision will have to be made could arise." On the other hand, Baker maintained that, like the United States, the Soviet Union "is not optimistic" about the prospect of Iraqi troops withdrawing from Kuwait. U.S.-USSR cooperation has always been the primary precondition of the Bush administration in handling the Gulf crisis. The congruency of U.S.-USSR positions on the question of whether to use force or not can be said to be a major result of Baker's trip. In fact, Bush formally announced the despatch of more troops to the Gulf following an exchange of views between Baker and Gorbachev.

In addition, the United States and Saudi Arabia reached an agreement on future battle operations: If Iraq were to invade Saudi Arabia, the two countries will share defense responsibilities; if U.S. troops attack Kuwait or Iraq, joint approval from King Fahd and President Bush will be needed, but military operations will be controlled by the U.S. forces. The United States' NEW YORK TIMES held that the agreement removed "a major obstacle" in U.S. use of force against Iraq because Saudi Arabia had originally insisted that since U.S. troops were in Saudi Arabia for purely defensive reasons, they cannot launch a direct attack on Iraq from Saudi territory.

Moreover, the United States has again received assurances from leaders of concerned states; that is: They will continue to comprehensively carry out UN Security Council resolutions, apply further pressures on Iraq, and oppose any plan for "partial solution" of the Gulf crisis.

It should not be ignored, however, that the minor cracks within the "anti-Iraqi alliance" remain even after Baker's trip. Both France and the Soviet Union have called strongly for UN Security Council authorization and approval of any resolution on use of force; the United States and Britain have maintained that while an authorization is "desirable," it was also "an unnecessary legal procedure" because, in accordance with Article 51 of the UN Charter, the international community already possesses the "legitimate right" to launch an offensive action against Iraq. Nevertheless, Egypt, Turkey, Bahrain, France, and the Soviet Union all expressed the hope that the United States would still strive for a political solution of the Gulf crisis and not be too hasty in resorting to force. Egyptian President Mubarak stressed that the "anti-Iraqi alliance" should at least "wait for another 2-3 months to see if economic sanctions can force Iraq to withdraw its troops." Meanwhile, French Foreign Minister Dumas was more explicit in saying: "No one approves the use of military force at the moment," and France still hopes for a "solution through

peaceful diplomatic means." At the same time, many countries have expressed deep concerns over the catastrophic consequences in case a war breaks out and have all issued appeals for a peaceful solution. In addition, the United States has yet to complete the deployment of 200,000 men in the Gulf. All these represent restraints to a Bush administration's decision to begin fighting.

Baker's trip is an indication that the three-month old Gulf crisis has entered a new stage.

Southeast Asia & Pacific

Li Peng Views Sino-Philippine Relations

HK1912035790 Beijing RENMIN RIBAO in Chinese
14 Dec 90 p 6

[XINHUA report: "Premier Li Peng on Further Development of Sino-Philippine Relations at Banquet Given by President Corazon Aquino in His Honor"]

[Text] Manila, 13 Dec (XINHUA)—Premier Li Peng, who is on an official goodwill visit here, spoke at a banquet given by Philippine President Corazon Aquino in his honor.

Premier Li Peng said: "Today, at the invitation of Your Excellency President Corazon Aquino, my wife and I, as well as my colleagues, are very glad to visit your country. Your government and people have given us a ceremonious, warm, and friendly welcome. We are very thankful for this. Tonight, President Corazon Aquino gave this grand banquet in our honor and made a speech brimming with warm feeling. Please allow me to express, on behalf of my wife and colleagues, our sincere thanks to Your Excellency the President, the Philippine Government, and the Philippine people."

He continued: "The Philippines is a beautiful and richly endowed country, which is likened to a 'pearl on the eastern sea.' Since independence, the Philippine people have achieved inspiring successes in protecting and building their country. At the critical turning point in Philippine history, President Corazon Aquino took up the great historical mission. She won the Philippine people's support and the international community's respect. We deeply believe that the Philippine people will surely be able to overcome their difficulties on the road of advance and make their country more prosperous and stable." Premier Li said: "China and the Philippines are close neighbors facing each other across the sea. Since ancient times, the two peoples have been living in harmony and have established a profound friendship. Since the establishment of diplomatic relations, the contacts between the two countries in the political, economic, trade, science and technological, and cultural fields have been increasing day by day and their mutual understanding and friendship have deepened. Since assuming office, Your Excellency the President has attached great importance to Sino-Philippine relations. In 1988, Your Excellency the President paid a

friendly visit to China, making a positive contribution to consolidating and developing the friendship between our two countries. I hope that through my current visit, which is a return to Your Excellency's China visit, the friendly relations between our two countries will be advanced to a higher level. I deeply believe that, with the common efforts of both sides, this will surely be realized."

He continued: "At present, profound changes are taking place in the international situation. The old pattern of the world has been broken, but the new has not yet been established. Although the military confrontation between big powers has been weakened, there is still no peace in the world. For this reason, the developing countries must further strengthen unity and cooperation. The Philippine Government is carrying out an independent diplomatic policy in international affairs. Together with the other ASEAN countries, it has rendered positive contributions to the political settlement of the Cambodian issue. We would like to express our appreciation for this."

He said: "We are glad to see that ASEAN, which is a regional organization, is playing an increasing role in dealing with regional and international issues. China and ASEAN countries have established good cooperative relations. China and the Philippines, Thailand, and Malaysia established diplomatic relations long ago and have maintained close contacts. Especially this year, China resumed diplomatic relations with Indonesia and established diplomatic relations with Singapore. Thus, the relations between China and the ASEAN countries have entered a new stage of overall development. From August this year to the present, the prime ministers of Singapore and Thailand and the president of Indonesia have visited our country one after another. The Malaysian head of state came to Beijing to watch the Asian Games. I have also visited the five ASEAN countries on their invitation. We are glad to see that the relations between China and the ASEAN countries are continuously developing."

In conclusion, Premier Li Peng said: "China's current political situation and society are stable. Through economic improvement and rectification, its national economy is developing in a good direction. Our policy of reform and opening up and the policy of ensuring a sustained, steady, and harmonious development of the national economy has injected vitality to the Chinese economy. We will continue to take this road firmly and resolutely. We are determined to boost our economy and do our bit for world peace and development."

Roundup on Development of Sino-Lao Relations

*OW1912112590 Beijing International Service
in Mandarin 0900 GMT 18 Dec 90*

["Roundup: Development of Sino-Lao Relations Has Been Satisfactory"; from the "Report on Current Events" program]

[Text] Listeners and friends, China's Premier Li Peng ended his official good-will visit to Laos on 17 December. Premier Li Peng said that this visit was very successful and would further promote friendly relations between the two countries.

Please listen to a roundup entitled "Development of Sino-Lao Relations Has Been Satisfactory."

Listeners and friends, China and Laos are two neighboring countries. The peoples of the two countries have a 1700-year history of friendly association. During the protracted struggle against imperialism and colonialism, and in the course of economic construction, the Chinese and the Lao peoples have formed profound friendship. After 1979, relations of the two countries encountered some obstacles. In recent years, relations have gradually improved thanks to efforts by both sides. In particular, ever since Kaysone Phomvihane, chairman of the Lao Council of Ministers, visited China in October 1989, normal bilateral relations between the Chinese and the Lao parties and governments have been fully restored, thereby moving Sino-Lao relations to a new stage.

In recent years, considerable progress has been made in economic, political, and cultural relations between the two countries. Exchanges and cooperation have gradually become more extensive and have achieved satisfactory results.

Subsequent to Kaysone Phomvihane's visit to China last year, a Chinese Government delegation and another delegation from the International Liaison Department of the CPC Central Committee respectively visited Laos this year. Both sides held talks on development of relations between the parties, the governments, and the peoples of the two countries; delimitation of common boundaries between the two countries; and international issues of mutual concern.

A Chinese women delegation and a Lao trade union delegation also exchanged visits, which were conducive to mutual understanding and closer friendship between the two countries.

At present, bilateral trade is growing steadily. At the end of last year, a delegation from Yunnan Province, which borders Laos, visited Laos. Its discussions on developing trade and economic cooperation with the relevant departments, provinces, and cities of Laos yielded positive results.

Subsequently in February 1990, Zheng Tuobin, minister of foreign economic relations and trade of China, visited Laos at the latter's invitation. On behalf of their respective governments, he and Phao Bounnaphon, Lao minister of foreign trade and economic relations, signed an agreement on economic, scientific, and technical cooperation between the two governments, as well as a protocol on mutual supply of commodities for 1990.

In recent years, bilateral trade also continued to increase. China's exports to Laos included airplanes, agricultural

machinery and implements, textiles, and the various consumer goods. Laos' exports to China were timber, agricultural products, and herbs.

It is learned that in 1989, the value of bilateral trade between China and Laos was more than \$16 million. Since 1986, Laos has implemented policies of reform and opening up to the outside world. Since it published the Foreign Investment Law in 1988, 14 countries have invested in Laos. China topped the list of foreign investments, amounting to \$103 million.

There were also bilateral cultural and athletic exchanges between China and Laos in recent years. In October 1990, Yunnan Province's Xishuangbanna Song and Dance Ensemble visited Laos. In September 1990, Lao athletic delegation also participated in the Asian Games in China.

Commentary Critical of Phnom Penh Peace Attitude

*OW2012072290 Beijing Domestic Service
in Mandarin 0530 GMT 18 Nov 90*

[Commentary by trainee Wu Wenhui and station reporter Xing Jihong: "Phnom Penh Should Fulfill Its Promise Concerning the Agreement on Political Settlement of the Cambodian Issue"; from the "International News and Current Events" program]

[Text] A conference on the Cambodian issue will be held in Paris on 20 and 21 December. The three parties of the Cambodian resistance forces have accepted official invitations from France and Indonesia; Hun Sen, prime minister of the Phnom Penh regime, may also attend the conference.

There are two items on the conference's agenda: First, it will discuss documents drafted at the 26 November work meeting on the Cambodian issue for the resumption of the Paris International Conference and the various parties of the Cambodian Supreme National Council (SNC) will declare their positions on the agreement. Second, it will discuss the operations of the SNC.

The co-chairmen of the Paris International Conference have expressed the hope that the parties will fully assess the importance of the conference and attend it in the spirit of making concessions and producing positive results.

At a conference in Jakarta last September, the three parties of the Cambodian resistance forces and the Phnom Penh regime reached an agreement on the SNC and announced they would accept the framework for settling the Cambodian issue reached by the five permanent members of the United Nations Security Council (UNSC) on a comprehensive political settlement of the Cambodian issue. They said they were also ready, through cooperation with all participants in the Paris International Conference on Cambodia, to develop this framework into a full political settlement. This major

breakthrough has finally enabled the process of finding a political settlement of the Cambodian issue to enter a critical, substantive stage.

Nevertheless, three months later, the peace process of settling the Cambodian issue politically has not only failed to make any progress but instead has suffered a setback. Phnom Penh bears particular responsibility for this. It deliberately raised obstacles on such issue as the appointment of the chairman of SNC. It blocked the election of Prince Sihanouk as the chairman of SNC and made demands about the appointment of a vice chairman, so much so that the SNC is unable to function to this day.

Prince Sihanouk has twice made recent calls for Hun Sen, prime minister of the Phnom Penh regime, to meet in an emergency session with the three other Cambodian parties in Paris to discuss the issue of the SNC, but all his invitations were rejected by Phnom Penh. To break the deadlock in the peace process, on 10 December Prince Sihanouk suggested that the issue of SNC leadership be set aside for the moment and that the 12 members of SNC work as equals without a chairman or a vice chairman. The three parties of the Cambodian resistance forces have also indicated their support for the suggestion. This suggestion has opened the way for the resumption of the SNC meeting. The Phnom Penh regime has, however, not only erected obstacles on this issue but has recently, together with the Vietnamese Government, broken its promise by rejecting the resolution adopted by the five permanent members of the UNSC on an increased UN role in solving the Cambodian issue, a resolution they once said they would accept.

Under the UN peace plan, the SNC is to hand over some major Cambodian ministries to a transitional government appointed by the UN. The various armed forces will lay down their arms so as to ensure an end to foreign assistance and facilitate the holding of a national election. Nguyen Co Thach, foreign minister of Vietnam, and Hun Sen, prime minister of the Phnom Penh government, recently said this arrangement constitutes an infringement on Cambodia's national sovereignty and a violation of the UN Charter. Brazenly reneging on their promise, Vietnamese Foreign Minister Nguyen Co Thach declared that they would not sign the agreement on the settlement of the Cambodian conflict. Hun Sen said: We have waited 11 years, and we can go on waiting. This indicates that they lack sincerity in seeking a comprehensive political settlement of the Cambodian issue.

Phnom Penh's words and deeds have contravened the wishes of the international community, as well as the national interests of Cambodia. It is hoped that Phnom Penh would proceed from the cardinal principles of Cambodia's national righteousness, conform to the trends of the times, elect Prince Sihanouk chairman of the SNC in accordance with the Jakarta Joint Statement at an early date, and fulfill its promise with regard to the

agreement so that there will be a comprehensive political settlement of the Cambodian issue in the shortest possible time.

Commentary Views Economic Relations With ASEAN

HK1912122190 Beijing ZHONGGUO XINWEN SHE
in Chinese 0523 GMT 14 Dec 90

[“Commentary” by ZHONGGUO XINWEN SHE reporter Guo Weifeng (6753 0251 1496): “Mutual Complement Outweighs Competition in the Economic Relations Between China and ASEAN”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE)—Looking back on the past year, it can be seen that the economic relations between China and ASEAN are developing toward a new level and the momentum is excellent. Nevertheless, specialists and scholars of all quarters also follow with interest the issue of complementarity and competitiveness. Some views are: It is full of competition in the economic relations between China and ASEAN, and China is a threatening economic rival of ASEAN.

The major argument of those holding the opinion that competitiveness outweighs complementarity is: 1) China's finished products pour into ASEAN, thus making the industries of ASEAN face direct competition. 2) The labor-intensive products of the two places compete for sale in the markets of the third countries. 3) Acute competition also exists between China and ASEAN regarding the absorption foreign capital.

Nevertheless, from dozens of relevant theses gathered by the reporter in the past few years, it can be seen that the views that complementarity outweigh competitiveness in the economic relations between China and ASEAN are the consensus of the majority of specialists and scholars at home and abroad.

In terms of trade relations regarding energy: Thailand, the Philippines, and Singapore of ASEAN are purely petroleum-importing countries and have close petroleum trade relations with China. In addition, the petroleum produced by China and the three purely petroleum-exporting countries of ASEAN is far from meeting the demand of the Asia-Pacific Region; thus, there is no competition. Furthermore, the ASEAN nations will need 83 million tons of coal a year after 10 years and China will surely do its best in the supply of coal.

In terms of the relations of natural resources: China demands the rubber, palm oil, coconut oil, copper ore granule, and timber of the ASEAN countries, while China's supplies cotton to ASEAN. The Chinese market also absorbs some industrial raw materials whose share ASEAN loses in the European and American markets.

In terms of agricultural relations: Food trade occupies a certain position and 60 percent of the meat, 40 percent of dried fruits, 40 percent of eggs, nearly 40 percent of

vegetables, 20 percent of rapeseeds, tea, and spices of ASEAN are imported from China; whereas China imports nearly 20 percent of the total amount of the exported sugar and honey, six percent of spices, and 2.7 percent of coffee from ASEAN. The competitive situation in rice with which Thailand is especially concerned has not taken shape.

In terms of trade relations: The total trade volume between China and ASEAN is on the increase. The total trade volume between Malaysia and China was 1.14 billion Malaysian dollars in 1986, amounted to 2.95 billion Malaysian dollars last year, and was 1.64 billion Malaysian dollars in the first seven months of this year. Furthermore, the trade volume between Singapore and China was over 800 million dollars in Singapore currency in 1977 and was as high as some 5.6 billion dollars in Singapore currency last year. China's exports in the total exports of ASEAN increase continuously.

In terms of the scientific and technological relations: There are broad prospects for the transfer of the technology and products of China's astronautics, nuclear energy, bioengineering, information, laser, and new materials to ASEAN.

In terms of the financial relations: The ASEAN nations have strengthened their investments in China in recent years. The total amount of Singapore's investments in China has reached \$640 million, Zhengda Group alone of Thailand has made an investment of over \$100 million in China, Indonesia begins making investments. China also has begun making investments in the ASEAN nations and has also strengthened cooperation with Singapore's financial center. ASEAN has absorbed a large amount of capital from Japan, South Korea, the United States, Hong Kong, and Taiwan; and the momentum is even stronger than that of China.

The above-mentioned relations show that although competition is unavoidable, complementarity is far greater than competitiveness in economic cooperation between China and ASEAN. In fact, complementarity also exists in the comparatively acute competitive textile industry. For example, in raw materials, China supplies ASEAN with cotton and ASEAN supplies China with chemical fiber. Both sides can expand trade in processed products and exchange technology. The rate of China's and ASEAN's shares in the world textile consumer market is not high and there are prospects for development.

Of course, many problems still exist in economic relations and trade between the two sides, such as the problem of the small proportion of the volume of trade in their own total amount of foreign trade and the problem of trade balance. They are, however, after all, not serious insurmountable difficulties and not detrimental to the strengthening of economic cooperation between the two sides.

In the large international economic environment, the strengthening of economic cooperation between China and ASEAN is of great use to the strengthening of the

economic vitality of the Asia-Pacific Region and to the tapping of the great potential of the Asian markets and will play a part in resisting international trade protectionism. The world economic pattern will change greatly in the 1990's; and the establishment of the U.S.-Canadian free trade zone, the formation of the EEC, the reunification of East and West Germany, and the changes in East Europe will make the Asian nations and regions face serious challenges and new opportunities and urge China and ASEAN to exert even greater efforts to promote bilateral trade and economic and technological cooperation.

Near East & South Asia

Plan To Stick by Kuwait Until Crisis End

HK1912133690 Hong Kong AFP in English 1309 GMT 19 Dec 90

[Text] Beijing, Dec 19 (AFP)—China has pledged to stick by Kuwait until the Gulf crisis is resolved, a delegation of Kuwaitis said here Wednesday.

"The commitment from the Chinese leaders is that they will never do anything to harm Kuwait or the Kuwaiti people," delegation member Sabah Al-Rayes told a press conference here.

"We expect China to stand for (the U.N. resolutions against Iraq) for as long as it takes," added Naji Al-Zaid, another member of the unofficial Kuwait People's Delegation, which is in the middle of a six-nation Asian tour to boost support for the Kuwaiti cause.

The group Tuesday met President Yang Shangkun, who reiterated China's support for U.N. resolutions demanding Iraq's unconditional withdrawal from Kuwait. The delegation also met Vice Foreign Minister Yang Fuchang.

The high-level contacts appeared to indicate Beijing's desire to reassure Kuwait that it was still firmly behind the tiny emirate, observers said.

China, a permanent member of the U.N. Security Council with veto power, abstained last month from a U.N. vote that authorized use of force against Iraq if it does not withdraw from Kuwait by January 15.

The Kuwaiti delegation characterized China's abstention as a "stance for peace" and said that it did not alter Beijing's support for Kuwait. They said they were "very satisfied" with the results of their visit.

The delegation arrived here Sunday after stops in Tokyo and Seoul and was scheduled to leave Beijing on Thursday for Manila, Kuala Lumpur and Singapore.

Visiting Official Thanks Support

OW1912134490 Beijing XINHUA in English
1325 GMT 19 Dec 90

[Text] Beijing, December 19 (XINHUA)—"We find that the Chinese people are clearly on our side and completely understand the situation in Kuwait," said Dawood M. Al-Saleh, former mayor of the City of Kuwait, at a press conference here today.

He described the Chinese people as "kind and peace-loving."

He expressed thanks to the Chinese people and government for their understanding and support.

Dawood is currently heading a delegation of the Kuwaiti People's Conference on a visit to China.

He said that his delegation is a people's delegation, not an official one. However, he went on, "It was beyond our expectation that Chinese President Yang Shangkun would have a 90-minute meeting with us."

Dawood said this is a "message to the whole world that China, from the highest level, supports the people of Kuwait and rejects the Iraqi invasion and occupation of Kuwait."

He said Yang told him that China would never make any decision that could do harm to Kuwait or the Kuwaiti people.

Also at the press conference, other members of the delegation briefed reporters on the great losses to the Kuwaiti people and their families brought about by the Iraqi invasion.

Prior to the press conference, Kuwaiti Ambassador to China 'Abd- al-Hamid al-Bu'ayjan hosted a buffet to thank the Chinese side for the kind reception given to the Kuwaiti delegation.

The Kuwaiti visitors are scheduled to leave here tomorrow for a tour of the Philippines, Malaysia and Singapore.

Yang Shangkun Receives Delegation

HK1912044090 Beijing CHINA DAILY in English
19 Dec 90 p 1

[Text] Chinese President Yang Shangkun met with a delegation from the People's Congress of Kuwait led by Dawood M Al-Saleh, the former mayor of Kuwait City, at the Great Hall of the People in Beijing yesterday.

Yang expressed his sympathy for the sufferings of the Kuwaiti people after Iraq invaded and annexed their country, according to a Chinese official who attended the meeting.

Yang said China had always held that all countries, big or small, should be equal and that relations between

different nations should be handled on the basis of the five principles of peaceful co-existence.

Yang noted that every country's independence, sovereignty and territorial integrity should be fully respected, and that differences between countries should be handled through peaceful means, not by the use of force, let alone by armed invasion, occupation and annexation of another country.

China had stood behind this principle, Yang went on, and had unequivocally opposed the Iraqi invasion and annexation of Kuwait from the very beginning, requesting that Iraq immediately and unconditionally withdraw its troops from Kuwait and restore independence, sovereignty, territorial integrity and the legal government in Kuwait.

The Chinese president stated that the Chinese Government had made its stand clear to Iraq through various channels, asking Iraq to follow the call of the international community, realize the seriousness of the current Gulf situation, take practical steps to achieve peace, and withdraw its forces from Kuwait unconditionally and as soon as possible.

Yang also explained to the Kuwaiti visitors China's stand on the resolutions adopted by the UN Security Council concerning the Gulf crisis.

Han Xu, president of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC), was also present at the meeting.

Wan Li Discusses Gulf, Promotion of Ties

*LD1412154390 Tehran IRNA in English 1248 GMT
14 Dec 90*

[Text] Beijing, Dec. 14 (IRNA)—Chairman of the National People's Congress of the People's Republic of China Wan Li told a visiting Iranian parliamentary group that Beijing favours efforts to solve the Persian Gulf crisis peacefully.

During the meeting which took place Thursday, Wan Li stressing the Islamic Republic's key role in the Persian Gulf region, said Tehran and China had a close stance on the crisis triggered by Iraq's August 2 invasion of Kuwait and worsened by the U.S.-led alien military build-up in the Persian Gulf.

He expressed hope that the "friendship delegation" of the Iranian Majles (parliament) would take effective strides towards expanding Tehran-Beijing relations.

Head of the delegation Mohammad Ibrahim Asgharzadeh, presenting Wan Li a message from Majles Speaker Hojjat ol-Eslam Mahdi Karrubi, called for promotion of mutual ties in political, economic and cultural fields.

Asgharzadeh also reiterated the Islamic Republic's stance on the Persian Gulf, that is the withdrawal of Iraqi troops from Kuwait and of all foreign forces from the Persian Gulf.

The friendship groups between the Iranian and Chinese parliaments were formed following Wan Li's visit to Tehran last year.

Wu Xueqian Receives Majles Delegation

*LD1512113890 Tehran IRNA in English 0950 GMT
15 Dec 90*

[Text] Beijing, Dec. 15, IRNA—The visiting Iranian parliamentary delegation headed by Tehran deputy Ebrahim Asgharzadeh, discussed Tehran-Beijing ties and international issues with Chinese Vice-Premier Wu Xueqian here Friday.

Xueqian termed as beneficial exchange of delegations between the two countries.

On Persian Gulf crisis, he said that the only rational way for Iraq is to pull out of Kuwait which will also eliminate grounds for long-term presence of U.S. and other alien forces in the region.

Reiterating a peaceful end to the crisis, he said that Iran can be an effective and important factor in resolving the problem.

Asgharzadeh said that the current crisis in the Persian Gulf and presence of foreign forces have posed serious threats on the regional states. He added that the U.S. and the West are after finding ways to ensure their own long-term interests in the region.

He added that Iran will not accept giving any territorial concession to Iraq in return for its withdrawal from Kuwait and said that such a move will aggravate regional instability.

Further on Li Peng's Visit to Sri Lanka

Meets Overseas Chinese

*OW1912014690 Beijing XINHUA in English
0055 GMT 19 Dec 90*

[Text] Colombo, December 18 (XINHUA)—Visiting Chinese Premier Li Peng met with Overseas Chinese at the Chinese Embassy here this afternoon. He had a friendly talk with them.

The premier told them that his visit to Sri Lanka has been very successful.

He expressed gratitude to Overseas Chinese in Sri Lanka for their tremendous contribution to the friendly cooperation between Sri Lanka and China.

The premier also appealed to the Chinese residing in Sri Lanka to make every effort for and develop Sino-Sri Lanka cooperation.

Speaking on behalf of the Overseas Chinese living in Sri Lanka, Chang De Fong said they will strive to further the friendship between the two countries.

He presented the premier with a carved wooden elephant studded with Sri Lankan gems.

Speaks on Socialism

*HK1912150990 Beijing ZHONGGUO XINWEN SHE
in Chinese 1418 GMT 19 Dec 90*

["Li Peng Says, China's Implementation of Reform and the Open Policy Aims To Complete and Perfect Socialism"—ZHONGGUO XINWEN SHE headline]

[Text] Colombo 19 Dec (ZHONGGUO XINWEN SHE)—Chinese Premier Li Peng says that China's implementation of reform and opening up aims to complete and perfect socialism but not to take the capitalist road. He made the above statement in an interview with Sri Lankan reporters yesterday evening.

China will also learn from advanced experiences in economic management in capitalism and even in state administration; however, those experiences must conform to China's national conditions, he added.

Li Peng believes, in this arena, the key issue is the relationship between a planned economy and market regulation. China attempts to combine these two satisfactorily to absorb the advantages of each to develop the economy, he said.

Li Peng briefed the reporters on the development strategy of China's modernization. He stated: China found a solution to adequate food and clothing for its people during the 1980's when the GNP doubled; China plans to double its GNP on that foundation in the 1990's so that the people may enjoy a comparatively high standard of living. He estimated it will take between 30 and 50 years in the 21st century for China to catch up with the level of medium developed countries. Li Peng stressed: Even when China realizes modernization, it will remain a stable and peaceful force and will not pose a threat to any country in the Asia-Pacific region.

Urges Better U.S. Relations

*HK1912151190 Beijing ZHONGGUO XINWEN SHE
in Chinese 1419 GMT 19 Dec 90*

["Li Peng Hopes the United States Can Expedite the Pace of the Improvement of Its Relations With China"—ZHONGGUO XINWEN SHE headline]

[Text] Colombo, 19 Dec (ZHONGGUO XINWEN SHE)—Chinese Premier Li Peng expressed here yesterday evening that China hopes the United States can expedite the pace of the improvement of its relations with China.

During an interview with a reporter of the Sri Lankan Television station, Li Peng said that earlier Chinese

Foreign Minister Qian Qichen had officially visited the United States in response to the U.S. Government invitation; and high-level officials of the U.S. Department of State are visiting, or going to visit, China. We welcome these new developments.

Concerning the problems of China, the Soviet Union, and East Europe, Li Peng said: Since last year great change has occurred in East Europe. Some countries have abandoned the socialist system. Although the Soviet Union has also experienced relatively great change, our Soviet friends have told us that they would not give up the socialist system. He said China is willing to pursue relations with East Europe and the Soviet Union on the five principles of peaceful coexistence.

Concerning relations between China and Sri Lanka, Li Peng said relations between the two are very good. China has indeed offered some aid to Sri Lanka, but it was mainly on a moral plane; there was some material aid but the amount was very limited, and it primarily served as an expression of friendship.

Further on Colombo Interview

*OW1912223290 Beijing XINHUA Domestic Service
in Chinese 1454 GMT 19 Dec 90*

[By reporters Ma Shengrong (7456 0524 2837) and Zhou Shuchun (0719 2885 2504)]

[Text] Colombo, 19 Dec (XINHUA)—Premier Li Peng was interviewed by a reporter of the Sri Lankan national television station before concluding his visit to Sri Lanka. He answered the reporter's questions on Sino-Sri Lankan relations and international issues and also talked freely about China's economic situation and policies.

Reporter Bandaranaike asked him the first question: Sri Lanka is a very small country, but China is a huge country with a huge population. Sri Lanka's relations with China can be traced back many centuries. Why is China able to show interest in a small country like Sri Lanka?

Premier Li Peng replied, saying, China holds that all countries, big or small, weak or strong, are equal. Therefore, China is willing to maintain and develop friendly relations with both big and small countries. In the world today, the question of common concern is peace and development. Small countries, like big ones, can contribute to peace and development.

The reporter asked: The people of Sri Lanka know that China has always been willing to provide assistance, either moral or material assistance, to Sri Lanka. At present, some people in Sri Lanka hold that when its independence and sovereignty are being threatened by external forces, China will come to help Sri Lanka. What is your comments on this?

Premier Li Peng replied, saying, first of all it should be said that relations between China and Sri Lanka are very good. China has indeed offered some aid to Sri Lanka,

but it was mainly on a moral plane; there was some material aid, but the amount was very limited, and it primarily served as an expression of friendship. Regarding your hypothetical question, it should be said that China is opposed to the use of force for solving disputes between countries. "We hold that mutual questions and disputes should be solved through friendly consultation and dialogue. China will not interfere with the internal affairs of any country. Therefore, the situation you have just mentioned will not occur." China hopes for peace, stability, and development in the South Asian region.

The reporter asked: What international role will China play in the 21st century?

Premier Li Peng said, before we talk about the 21st century, we should first talk about the 20th century, because the last 10 years of the 20th century are still ahead. He said China is a developing country. Although it has a large population and vast territory, its comprehensive national strength is limited. The task for the Chinese people is mainly to carry out modernization of the country and adhere to the socialist system.

Referring to the strategy for realizing China's modernization, he said that during the 1980's China doubled its gross national product, with its people better clothed and fed. In the 1990's, China will double its gross national product once more, which will allow its people to enjoy a better way of life. It is estimated that 30 to 50 years are needed in the 21st century for China to catch up with medium developed nations. He said that it is not easy to reach such a target, as China has a large population that continues to grow despite a family planning policy. Thus, China's economic development has to match its population growth.

He stressed that after China realizes modernization, it will remain a force for stability and peace and will not pose a threat to any country in the region.

In answering a question on the situations in Eastern Europe and the Soviet Union, Li Peng said, tremendous changes have taken place in Eastern Europe since last year, changes wherein some of these countries gave up the socialist system. Although the Soviet Union has also witnessed many changes within its own country, Soviet friends told us that they will not abandon the socialist system. China will handle its relations with either Eastern Europe or the Soviet Union on the basis of the five principles of peaceful coexistence.

He pointed out, in particular, that China is willing to maintain friendly relations with the neighboring Soviet Union, which shares with China a border more than 7,000 kilometers in length. As for what kind of reform they will implement and what road they will adhere to, these are the affairs of the governments and peoples of those countries. As for China itself, China will, without doubt, firmly adhere to the road of socialism. China's reforms are aimed at improving the socialist system and giving full play to its superiority. China's history and

reality have determined that the Chinese people will choose the socialist system. He stressed: "We hold that the superiority of this system can be demonstrated in China. China now enjoys political and social stability with a growing economy. Construction in China is thriving. We will enter the 21st century with full confidence."

Premier Li Peng pointed out, in the course of reform and opening to the outside world, China will attach importance to learning from the advanced experiences and strong points of developed Western countries in management and science and technology. Of course, what is to be introduced and learned in China must conform to China's national conditions.

He said, implementation of the policy of economic improvement and rectification does not mean the retrogression of our reform. On the contrary, not only have we succeeded in continuing and stabilizing our reform policy, but there have been new developments in some areas.

After discussing the specific conditions of China's reform, Premier Li Peng said that an important experience China has acquired is that reform must proceed under the condition of social stability. Another experience is that reform should be conducted in the interest of the people. In this way, they will support reform.

Asked by Bandaranaike about Sino-U.S. relations, Li Peng said that there has been some cooling and abnormal conditions in Sino-U.S. relations, but this was not caused by China. Nevertheless, there has been some improvement in relations between China and the United States and other Western countries. It should be pointed out that the EC and Japan are ahead of the United States in improving their relations with China. We hope the United States will quicken the pace in this respect. He said that earlier, Chinese Foreign Minister Qian Qichen had officially visited the United States at the invitation of the U.S. Government, and high-level officials of the U.S. State Department are visiting, or will visit, China. We welcome these new developments.

Views East Europe, USSR

OW1912160790 Beijing XINHUA in English
1541 GMT 19 Dec 90

[Tex'] Colombo, December 19 (XINHUA)—China will develop normal relations with East European countries and the Soviet Union on the basis of the five principles of peaceful co-existence, Chinese Premier Li Peng said before concluding his visit here today.

Li, in an interview with a Sri Lankan television reporter A.D. Bandaranaike, said tremendous changes have taken place in Eastern Europe since last year in which some of these countries gave up the socialist system.

Although the Soviet Union has also witnessed a lot of changes within its own country, Soviet friends told the Chinese Government that they will continue to follow the socialist path, Li said.

China is willing to maintain friendly relations with neighboring Soviet Union, which shares with China a border more than 7,000 kilometers in length, he said.

As for what kind of reform they will implement and what road they will adhere to are the affairs of the governments and peoples of those countries, he added.

China will firmly adhere, however, to the road of socialism, Li said, adding that China enjoys a political and social stability with a growing economy.

"We will enter the 21st century with full confidence," he said.

Li, who arrived here on December 17 for a three-day official goodwill visit, is on the last leg of his 10-day, four nation Asian tour which included Malaysia, the Philippines and Laos.

Given Gift of Eyeballs

OW2012074290 Beijing XINHUA in English
0657 GMT 20 Dec 90

[Text] Colombo, December 20 (XINHUA)—The Sri Lankan Eye Donation Society Wednesday gifted five eyeballs to Beijing to commemorate Chinese Premier Li Peng's visit to the country, president of the society Dr. Hudson Silva told XINHUA here this morning.

He said that these eyeballs were given to China because Premier Li Peng's tour was very important.

Chinese Premier Li Peng and his party left here for home Wednesday after concluding a three-day successful visit to Sri Lanka, the last stop of his 10-day, four-nation Asian tour which had taken him to Malaysia, the Philippines and Laos before coming to Sri Lanka.

The Sri Lankan Eye Donation Society, set up in 1961 upon the initiative of Dr. Silva, has gifted over 27,000 eyeballs to foreign countries so far and had gifted about 200 eyeballs to China between 1980 and 1989.

Arrives in Hainan

HK2012062190 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 19 Dec 90

[Text] State Council Premier Li Peng and his wife Zhu Lin left Colombo, capital of Sri Lanka, and arrived back in Haikou City at 1800 yesterday, after successfully winding up his visit to four countries in Asia including Malaysia, the Philippines, Laos, and Sri Lanka.

Premier Li Peng was accompanied by Qian Qichen, foreign minister; and his wife [words indistinct]; Chen Jinhua, State Commission for Restructuring the

Economy minister; Li Lanqing, Foreign Economic Relations and Trade vice minister, [words indistinct]; and Xu Dunxin, assistant foreign minister.

Greeting Li Peng and his company at the airport were leading comrades of Hainan Province, Haikou City, the People's Liberation Army Hainan Provincial Command, and the South China Air Force Unit including Deng Hongxun, Liu Jianfeng, Bao Keming, Pan Qiongxiang, Chen Yuyi, (Gao Haorong), Liu Chengbao, and (Zhou Chunshan).

The special plane steadily touched down at the Haikou Airport at 1800. As soon as the cabin gate was opened, Premier Li Peng came out to wave greetings to the welcoming group, smiling, while the latter gave him enthusiastic applause and congratulated him on his successful trip to the four countries.

When Premier Li Peng came down the passenger ladder, two Young Pioneers presented flowers to him and his wife.

Premier Li Peng warmly shook hands with local leaders one by one, and both parties said hello to each other.

Yesterday evening, the provincial party committee and government hosted a banquet in honor of Premier Li Peng and his company.

New Pakistani Leader Seeks To Revitalize Country

OW2012053990 Beijing XINHUA in English
0212 GMT 20 Dec 90

["Yearender: 1990—Year of Change, Challenge for Pakistan, by Ge Xiangwen"—XINHUA headline]

[Text] Islamabad, December 20 (XINHUA)—The year 1990 has been one of change and challenge for Pakistan. It has seen the downfall of Benazir Bhutto who came to power in 1988, and the emergence of Nawaz Sharif, an industrialist, as the new prime minister of this South Asian nation.

Since independence in 1947, this is the first time that a prominent industrialist has become the prime minister of Pakistan. Local observers here note that the impact of this change on Pakistan's political structure might be significant.

Nawaz Sharif won the premiership as the Islamic Democratic Alliance (the Islami Jamhoori Ittehad or IJI) led by him swept the October election by bagging in 105 seats in the 217-seat national assembly, which was dissolved by President Ishaq Khan on August 6 on charges of corruption, incompetence and nepotism.

The People's Democratic Alliance led by Benazir Bhutto who was sacked by Ishaq Khan following the dissolution of the parliament, obtained only 45 national assembly seats, losing almost 50 out of the 94 seats which her party got in the last election in 1988.

During her 20-month rule, Benazir Bhutto, the first lady prime minister in the Muslim world, maintained good relations with both the West and the East as well as the Muslim world, securing enough foreign aid for the development of the country.

But she could not live up to the too great expectations of the voters and her allied parties from her government in domestic affairs. They were disappointed that no spectacular achievements had been made in political and economic fields. This was partly owing to the deterrence of the strong opposition to the young prime minister.

In the latter part of B. Bhutto's rule, differences between the prime minister and the president, the military authorities and two of the four provincial chiefs led to confrontations. She also lost support of her allied parties in the parliament.

Nawaz Sharif, 41, a billionaire industrialist and for more than five years the chief minister of Punjab, the richest and most populous province of Pakistan, made himself prominent in confrontation with Benazir Bhutto in the last 20 months. He brought the opposition parties of different nature together, and finally won the general election in October this year.

However, Nawaz Sharif, when in power, came to realize the real challenges ahead of him—unemployment (more than one million), financial deficit (about four billion U.S. dollars), debt burden (about 16 billion dollars), ethnic violence, rampant dacoity, price hike, corruption and nepotism within the establishment, the strained Pakistan-U.S. relations, the aggravating Kashmir issue, the burden of more than three million Afghan refugees, etc.

Nawaz Sharif has formed a broadly based government, bringing into his cabinet representatives of different political groups and refrained from any open confrontation with former Prime Minister Benazir Bhutto for harmony of the country to face the challenges.

In the past month and more, Nawaz Sharif has outlined three major principles of his government: self-reliance, industrial revolution and strict enforcement of law and discipline.

He has been confronted with four major crisis since he came to power: two country-wide strikes in November, first by bus drivers and then by oil tanker drivers, but the two strikes ended in compromise with the government the 41.5 percent increase of oil prices by the government which has led to a price spiral in the country, and the strained relationship with the U.S., the Bush government suspended in October aid to Pakistan of about 600 million U.S. dollars for 1990-91, but Nawaz Sharif is tough on this, saying that Pakistan would not accept any aid at the cost of its national interest. [paragraph as received]

For his ambitious industrialization plan, the new prime minister announced tax-holiday for foreign and domestic investors. He appealed to the rich in the country for investment in industries, even with their "black money." Customs duty, import surcharges and sales taxes on all machinery for setting up industries in the rural areas have been announced free.

To improve the law and order situation in the country, the new government has approved a draft law under which kidnappers for ransom will be hanged in public, and to ensure efficiency, unqualified employees and officials are being dismissed from government and public institutions. Meanwhile salaries of lower rank employees have been raised after the price increase.

On foreign policies, Nawaz Sharif has stressed the importance of maintaining the traditional friendship with China, close ties with the United States and the Muslim world and to improve relations with its neighbor India. He has reiterated Pakistan's position on the peaceful solution of Afghan and Kashmir problems.

Local observers point out that Nawaz Sharif enjoys overwhelming majority in both the national assembly and the senate. He is not confronted by any hostile provincial government and he has no differences with the president and the Army, two pillars in Pakistan politics, in running the country. These advantages will serve him well to take critical decisions and accomplish the task of nation-building.

Less than two months in power is just a beginning of his premiership. To realize his blue print is a great challenge not only to Nawaz Sharif but also to the whole nation of Pakistan. Sharif has already warned against expecting a miracle overnight. Will the new regime surmount the challenges? People here hope for the best.

Political & Social

17th Meeting of NPC Standing Committee Opens

OW2012110990 Beijing XINHUA Domestic Service
in Chinese 0853 GMT 20 Dec 90

[By reporters He Ping (0149 1627) and Zhang Sutang (1728 1372 1016)]

[Text] Beijing, 20 Dec (XINHUA)—The 17th meeting of the Seventh National People's Congress [NPC] Standing Committee opened at the Great Hall of the People this morning.

Chairman Wan Li presided over the meeting and explained the meeting's draft agenda. Committee members adopted the agenda.

In line with the agenda, the meeting heard reports by Song Rufen, Gu Ming, Xiang Chunyi, vice chairmen of the NPC Law Committee on, respectively, the draft law regarding the protection of the legal rights of the handicapped, the draft procedural law for concluding treaties, and results of deliberations on the draft resolution which bans drug abuse and the draft resolution on punishing criminals engaged in the smuggling, production, sale and spread of pornographic materials.

At the meeting, Wang Hanbin, vice chairman of the NPC Standing Committee and chairman of the Legislative Affairs Commission, gave a report explaining draft revisions to the civil procedural law (for trial implementation).

Entrusted by the State Council, Sun Wanzhong, director of the State Council Bureau of Legislative Affairs, and State Councillor Wang Bingqian gave reports on the draft law on the national emblem of the People's Republic of China and the draft law on income tax for foreign-funded enterprises and foreign enterprises.

Present at the meeting were Vice Chairmen Peng Chong, Ngapoi Ngawang Jigme, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong.

Liu Fuzhi, procurator general of the Supreme People's Procuratorate, attended the meeting as an observer.

Wang Bingqian Explains Draft Tax Law

OW2012102490 Beijing XINHUA in English
0919 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—Chinese legislators are gathering here today to examine a draft income tax law concerning Sino-foreign joint ventures and foreign enterprises in the Chinese mainland.

This is a latest law which governs the taxation of joint ventures and foreign enterprises since China promulgated the income tax law concerning Chinese-foreign joint ventures in 1980 and the income tax law concerning foreign enterprises in 1981.

In a motion submitted to the 17th meeting of the Standing Committee of the Seventh [National] People's Congress [NPC], Chinese Premier Li Peng said that the 1980 and 1981 laws have played a big role in China's opening up to the outside world. However, they are not perfect and some provisions cannot meet the needs of the current situation.

The problems with the current laws are, said Wang Bingqian, minister of finance when explaining the draft, that they have not stipulated explicitly the scope by which the laws should be applied and there are disparities in rendering tax preferential policies.

The draft new law aims to settle these problems and improve the environment for foreign investors, Wang noted. It is based on the current two laws and the tax level and preferential policies will remain unchanged. However, there will be some supplementary regulations in the new law in light of international practice.

Proportional tax will replace progressive tax in the new law, and the amount of income tax plus local income tax should account for 33 percent of the taxable income of a Chinese-foreign joint venture or a foreign enterprise, according to the draft.

The draft also stipulates that no tax will levied when a foreign joint venturer remits abroad its share of profit obtained from the venture.

The old income tax law regarding Chinese-foreign joint ventures, however, says that an income tax of 10 percent of the remitted amount should be levied.

The new law also sets concrete rules concerning tax deductions and tax evasion, which used to be possible by transferring profits between chain enterprises.

On the transitional period of the old and new tax law, Wang said the new tax law should be applied in principle to the enterprises that went into operation before the promulgation of the new law. As to the enterprises which will have tax increases or reduced preferential items under the new law, the old law will remain effective until the approved operation period expires.

Report on Draft National Emblem Law

OW2012120690 Beijing XINHUA in English
1151 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—The draft law on the national emblem was submitted to the 17th meeting of the Standing Committee of the National People's Congress (NPC) for discussion today.

Premier Li Peng said in the State Council's motion that the law was drafted on the basis of a comprehensive consultation and study to protect the dignity of the national emblem and strengthen the sense of patriotism among the country's citizens.

The present way of hanging the national emblem was adopted in September of 1950 by the central government. The 40-year-old regulation is now considered inadequate and outdated.

Sun Wanzhong, director of the Legislative Affairs Bureau of the State Council, said that, "It's very necessary to formulate a special law on the national emblem as its present application is quite disordered."

The draft has made a clear stipulation for the government administrations and public places that should hang the national emblem, and the printing materials and seals that should bear the design of national emblem.

The places where the draft law will permit the emblem to be hung include the Standing Committee of the People's Congress at all levels, the Central Military Commission, the people's court and procuratorate at all levels, the Great Hall of the People and several others.

According to the draft law, other places that are not included in the draft law can only hang the national emblem after receiving approval from the State Council.

Sun noted that, the draft also calls for the legal punishment of those who intentionally humiliate the national emblem or its design.

Chen Yun Assails Deng Xiaoping's Reforms

HK2012021190 Hong Kong SOUTH CHINA
MORNING POST in English 20 Dec 90 p 10

[By Willy Wo-lap Lam]

[Text] Conservative patriarch, Mr Chen Yun, has mounted a ferocious attack on senior leader Mr Deng Xiaoping and his reform record, Chinese sources say.

Mr Chen, 86, warned in a speech late last month that reform had veered from the socialist road.

The chairman of the party's Central Advisory Commission called for the establishment of a "comprehensive theoretical system" to guide the path of reform.

"We lack a comprehensive theoretical system to guide reform policies", Mr Chen said, adding that as a result, they had undergone too many mutations and failed to hold to a steady course.

Mr Chen, who has been China's foremost authority on finance and economics since the 1950s, said the reformist line as determined by the third plenum of the 12th Central Committee in late 1984 was designed "to build a planned socialist commodity economy".

"After ten years of reform, however, the part about the economy being a planned and socialist one has been forgotten", he said. "Only the part about building a commodity economy has remained".

He urged the party's ideologues and economists to put together a sound theoretical basis to ensure a "correct direction" for reform.

"We need a comprehensive theoretical system including theories on planning, the market, financial policy and tax" he said.

"We must hoist high the flag of socialism in the hearts of the people. Our party must raise its voice and sing the praise of socialism".

Chinese sources said Mr Chen's point that reform had veered away from the goals of socialism and central planning was an attack on the market-oriented experiments associated with Mr Deng Xiaoping and ousted party chief Mr Zhao Ziyang.

Moreover, Mr Chen's complaint about the lack of a steady course for reform also seemed a criticism of the famous dictum of Mr Deng and Mr Zhao, that exploring an economic path was like "crossing the river while feeling out for the boulders".

While Mr Chen, who has not been seen in public since October 1989, is believed to be in bad health, Chinese sources say he has given regular briefings to the party's conservative leaders, including the Prime Minister, Mr Li Peng and Senior Vice-Premier, Mr Yao Yilin.

The sources added that as a result of Mr Chen's call for a "comprehensive theoretical system", many hardline ideologues had in the past fortnight published long pieces on how to ensure the socialist orientation of the economy.

They included PEOPLE'S DAILY director Mr Gao Di and Chinese Academy of Social Sciences futurologist Mr He Xin, both identified as proteges of Prime Minister Li.

By contrast, Mr Deng and reformist theorists including Politburo member Mr Li Ruihuan, have kept a low profile.

Yesterday, the official New China News Agency tried to dispel speculation about the deteriorating health of the patriarch by pointing out that Mr Deng had inscribed the title of the just-published book "Selections from Zhang Jichun."

Western diplomats in Beijing say Mr Deng has been trying to drum up support for market-oriented reforms, in the run-up to the party's seventh plenum.

They say, however, that judging by the Chinese media, Chen Yun's conservative views seem to be getting the upper hand.

Deng Xiaoping Writes Inscription 7 Dec

HK1912131690 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 19 Dec 90

[Text] Comrade Deng Xiaoping personally wrote the four-Chinese-character inscription "Wuhan Airport" for the (Tianhe) International Airport of Wuhan.

At 1400 this afternoon, Wuhan City government received from the CPC Central Committee General Office a letter containing a written inscription personally written by Deng Xiaoping. On 7 December Comrade Deng Xiaoping wrote with a brush pen, on paper specially made for calligraphy, the four big characters "Wuhan Airport." The brush strokes are strong and powerful.

When the news that Comrade Deng Xiaoping had written an inscription for Wuhan Airport spread to the airport construction site, the broad masses of scientific and technological staff and workers all expressed that they would build Wuhan Airport well and with high quality and standards.

Secret of Deng Xiaoping's Good Health Revealed

HK2012032190 Beijing ZHONGGUO XINWEN SHE
in Chinese 0820 GMT 19 Dec 90

["Sports and Optimist Attitude—The Secret to Deng Xiaoping's Longevity—Selected from ZHONGGUO TIYU BAO (CHINA SPORTS JOURNAL)"—ZHONGGUO XINWEN SHE headline]

[Text] [No dateline as received]—Deng Xiaoping may be 86 years old but he continues to enjoy good health. What is the secret of his long life and good health? As Deng Xiaoping has often said in response to questions from foreigners—optimism and a love for sports.

Deng Xiaoping's entire family numbers 16 members and spans four generations, with everyone living together harmoniously. His children all say that he is a kind old man who respects the elderly and loves his children. At home, he is very liberal and easy-going and never interferes in his childrens' work. The youngest generation in the family, the grandchildren, have brought more joy into the house and this blissful family has made him very happy.

Deng Xiaoping's longevity and good health are inseparable from his love of sports. And his likes are varied: Swimming, bridge, soccer, basketball, billiards, mountain climbing, walking, and others.

Deng Xiaoping was already a soccer fan while on a work-study program in France and used to attend soccer games regularly in the 1950's. Even now, he never misses the soccer games on television. He also likes to play billiards and is quite good at it, scoring high points at each game. During his visit to the United States in 1979, his hosts, well-aware of his love for basketball, arranged

an exhibition game especially for him. At the age of 80, he climbed the Emeishan in Sichuan and Huangshan in Anhui.

It is a well-known fact both at home and abroad that Xiaoping plays bridge. Yang Xiaoyan of the United States, dubbed as the "Queen of Bridge" once said: "The Chinese leaders are very skilled bridge players, and Deng Xiaoping is a very good player." In 1981, Deng Xiaoping won an international award in bridge. He stated: "My mind can rest fully only when playing bridge."

Swimming is a sport that Deng Xiaoping has been engaged in continuously for decades. It is also his favorite sport. Even though he is at an advanced age, he still goes swimming regularly in the ocean. While on holiday in Dalian's Fengchuidao, he went swimming in the ocean every morning.

Deng Xiaoping once said: "I enjoy good health probably because I like to swim, and do so particularly well in the deep ocean..."

Relatives of Wang Dan, Others Advised of Arrests

OW1912140490 Tokyo KYODO in English 1356 GMT
19 Dec 90

[Text] Beijing, Dec. 19 KYODO—Chinese authorities have formally served notice that they arrested a former aide to disgraced former General Secretary Zhao Ziyang, and 10 other dissidents, including student leader Wang Dan, who took part in the democratization movement in June last year, an informed source said on Wednesday.

The Chinese authorities sent notices of the arrests of Zhao's former secretary, Bao Tan, and the dissidents to their relatives last month, the source said.

Formal trials on these dissidents are seen likely to come soon in line with a Chinese custom of giving formal notice of arrests prior to indictments and trials.

The Chinese authorities' action was apparently aimed at fending off criticisms overseas leveled against China for secretly infringing on human rights of dissidents and an anti-Beijing move by the United States.

A move is now under way in the U.S. Congress to submit a fresh resolution calling for repealing the most favored nation status granted to China for such undemocratic clampdowns by Chinese authorities.

The charges filed against the 11 arrested persons included sedition, antirevolutionary propaganda and a secret meeting of "patriots" held in Beijing to block imposition of martial law to suppress democracy protests at Tiananmen Square.

Chen Ziming, director of the private Beijing Institute of Social Economic Sciences, named the principal agitator of the student-led democracy movement, faces imprisonment of over 10 years with forced labor, or to life for conspiring to topple the government, the source said.

Wang Dan, said to be charged with antirevolutionary agitation, may be sentenced to less than five years in prison, the source said.

Zhao was heir apparent to former top Chinese leader Deng Xiaoping before he was stripped of all posts for supporting the student-led democracy movement.

Quanzhou Peasants Eagerly Purchase Mao Portraits

HK2012043090 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1135 GMT 19 Dec 90

["Peasant Households in Quanzhou's Mountainous Areas Vie in Purchasing Mao Zedong Portraits"—ZHONGGUO TONGXUN SHE headline]

[Text] Quanzhou, 19 Dec (ZHONGGUO TONGXUN SHE)—Another week and it will be the 97th birth anniversary of the late CPC Chairman Mao Zedong. In the mountainous area of Anxi County situated in the major overseas-Chinese town of Quanzhou, people have been vying with one another in purchasing Mao Zedong portraits. Similar incidents have occurred in other mountainous counties in Quanzhou.

Reports say that the phenomenon of people eagerly buying portraits of Mao Zedong was particularly true in seven towns and villages in Anxi County, including Gande and Xianghua where bookstores and stalls sold tens to hundreds of pictures each day. Some town and village bookstores distributed more than 1,000 portraits at one time. The county's XINHUA Bookstore recently brought in nearly 10,000 Mao Zedong portraits, all of which sold out very quickly. Plans are afoot to bring in several thousand more portraits.

It has been more than 14 years since Mao Zedong passed away. What is the reason behind the "return" of this great man? It is said that the main reasons are: By recalling Mao's achievements and contributions, the people are demonstrating their respect for his integrity and concern for the people. At the same time, they are also hoping that the incorruptibility, frugality, and industry characterizing the "Mao Zedong Era" will continue to be fostered.

Song Jian, Chi Haotian Visit Hi-Tech Fair

OW2012002690 Beijing Television Service in Mandarin 1400 GMT 18 Dec 90

[From the "Night News" program]

[Text] Yesterday evening, Liao Hansheng and Ni Zhifu, vice chairmen of the Standing Committee of the National People's Congress; Song Jian, state councillor; Chi Haotian, chief of general staff of the People's Liberation Army (PLA); and Zhao Nanqi, director of the General Logistics Department of the PLA, visited the 1990 exhibition of high-technology export products manufactured by military enterprises now producing civilian products. The exhibition recently opened at the Beijing International Exhibition Center. They viewed with interest the exquisite items on

display and expressed great satisfaction with the achievements scored by the national defense science and technology industry in the research, development, and manufacture of high-technology products and export products. [Video opens with a long shot of Liao Hansheng and Ni Zhifu in the exhibition hall viewing products on display; cuts to wide and medium shots of Song Jian, Chi Haotian, and Zhao Nanqi viewing items on display]

Yang Shangkun, Zou Jiahua Visit Fair

OW2012073990 Beijing XINHUA Domestic Service in Chinese 1525 GMT 19 Dec 90

[By reporter Li Xiuqing (2621 4423 3237)]

[Text] Beijing, 19 Dec (XINHUA)—Yang Shangkun, China's president and vice-chairman of the Central Military Commission, tonight visited "the 1990 exhibition and fair of civilian high-tech and export products turned out by military enterprises."

During the one hour or so of the visit, Yang Shangkun carefully viewed the articles on display, zealously listened to explanations, asked questions, and praised the well-managed exhibition.

The exhibition displays a collection of civilian products successfully developed by China's military enterprises over the last 10 years. On display are 2,500 kinds of advanced technical items and quality products developed by eight organizations of the machinery and electrical, aeronautics and astronautics, nuclear, shipbuilding, and logistics departments. Since its opening on 15 December, the exhibition has attracted several dozen thousand visitors and transactions have exceeded 200 million yuan.

Other visitors today included Huang Hua, Zou Jiahua, and responsible persons of the ministries and commission concerned under the State Council, the general departments of the People's Liberation Army (PLA), and major PLA units in Beijing.

Jiang Zemin, Hoang Van Hoan Meet in Beijing

OW2012091790 Beijing XINHUA in English 0901 GMT 20 Dec 90

[Text] Beijing, December 20 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party (CPC) Central Committee, met with Hoang Van Hoan, an old friend of the Chinese people, here this afternoon.

An official noted that the meeting was arranged just before the coming new year.

Jiang and Hoang had a cordial and friendly conversation, wishing the traditional friendship between the Chinese and Vietnamese peoples continue to be consolidated and promoted.

Zhu Liang, head of the International Liaison Department of the CPC Central Committee, was present at the meeting.

Qiao Shi, Others at Judicial Commendation Meeting

*OW2012071890 Beijing XINHUA Domestic Service
in Chinese 0929 GMT 18 Dec 90*

[By RENMIN RIBAO reporter Xu Yunping (1776 6663 1627) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 18 Dec (XINHUA)—A national meeting for commendation of advanced collectives and workers of organs in charge of administration of justice was held in the Great Hall of the People today. Fifty-eight advanced collectives and 199 advanced individuals were commended in the meeting.

Before the meeting began, Qiao Shi, Li Ruihuan, Li Tieying, Ding Guangen, Hu Qiaomu, Ni Zhifu, and Chen Muhua met with representatives to the meeting and representatives attending a national meeting on promoting development of the contingents of cadres and policemen working for reform and education of criminals through labor.

Hu Qiaomu, Ni Zhifu, and responsible persons of the Central Discipline Inspection Commission, the Ministry of Justice, and the Ministry of Personnel awarded certificates of merit and decorations to the representatives of the advanced collectives and advanced individuals.

According to a decision by the Ministry of Justice and the Ministry of Personnel on commendation, seven units, including the Justice Bureau of Jixi City of Heilongjiang Province, were commended as model collectives among organs in charge of administration of justice throughout the country; 51 units, including the Justice Bureau of Zhucheng City of Shandong Province, were commended as advanced collectives among organs in charge of administration of justice throughout the country; 71 comrades, including Fu Wenxiu, secretary of the party committee of the First Administrative Office for Education and Training of Criminals Through Labor of Shandong Province and concurrently director of the office, were commended as model workers of organs in charge of administration of justice throughout the country; and 128 comrades, including He Feng, leader of the Second Detachment of the Second Prison of Beijing Municipality, were commended as advanced workers of organs in charge of administration of justice throughout the country.

In their decision on commendation, the Ministry of Justice and the Ministry of Personnel pointed out that from the advanced collectives and individuals commended at this meeting one can see the concentrated embodiment of a high degree of political consciousness of the vast numbers of cadres and policemen in charge of administration of justice in their loyalty to the party and the people and in their dedication to the socialist cause, the embodiment of a nobly selfless and fearless revolutionary spirit in their endeavor to consolidate the people's democratic dictatorship and maintain long-term political stability of the state without showing the least sign of hesitation to shed their blood and sacrifice

themselves, and the embodiment of a spirit of selfless dedication in their all-out efforts to make contributions to promoting socialist economic construction and to the development of socialist democracy and the legal system.

Ding Guangen Meets Jiusan Society Members

*OW1912174890 Beijing XINHUA in English
1516 GMT 19 Dec 90*

[Text] Beijing, December 19 (XINHUA)—The Third Plenary Session of the Eighth Central Committee of the Jiusan Society, one of China's eight non-communist parties, closed today.

At the four-day session participants reviewed the society's activities over the past year in the aspects of organization, participation in government affairs, involvement in scientific and technical services, and contacts with organizations and individuals overseas.

During the session Ding Guangen, an alternate member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee and head of the United Front Work Department of the CPC Central Committee, had a discussion with the Standing Committee members of the Jiusan Society Central Committee.

1990 Census Communique No 5 Issued

*OW1912132890 Beijing XINHUA Domestic Service
in Chinese 1106 GMT 18 Dec 90*

[Text] Beijing, 18 Dec (XINHUA)—The PRC Communique on the 1990 Census

(No. 5)

December 18, 1990

The figures below are data of population grouped by the state of registered permanent residence of people living in all provinces, autonomous regions, and municipalities directly under the central government, compiled from the fourth national census in 1990:

- A. The number of permanent residents living in their own counties and cities.
- B. The number of residents living in other counties and cities than their own, or who have left their registered permanent residence for one year or more.
- C. The number of people whose registered permanent residence has yet to be determined.
- D. The number of people working or studying abroad, having no registered permanent residence for the time being.

| | A | B | C | D |
|----------------|-------------|-----------|---------|--------|
| Beijing | 10,168,427 | 519,032 | 83,099 | 48,849 |
| Tianjin | 8,552,498 | 182,464 | 46,607 | 3,833 |
| Hebei | 60,080,183 | 715,490 | 285,218 | 1,548 |
| Shanxi | 27,768,826 | 762,528 | 226,657 | 1,003 |
| Inner Mongolia | 20,523,405 | 603,502 | 328,394 | 1,497 |
| Liaoning | 38,356,405 | 818,310 | 277,428 | 7,234 |
| Jilin | 23,879,232 | 499,740 | 276,756 | 2,993 |
| Heilongjiang | 33,369,800 | 1,249,673 | 591,666 | 3,734 |
| Shanghai | 12,672,600 | 543,231 | 595,88 | 66,477 |
| Jiangsu | 65,072,234 | 1,292,837 | 679,319 | 12,129 |
| Zhejiang | 40,405,016 | 720,322 | 316,131 | 4,461 |
| Anhui | 55,101,319 | 762,835 | 313,140 | 3,519 |
| Fujian | 28,665,822 | 786,276 | 566,630 | 29,496 |
| Jiangxi | 36,830,598 | 570,694 | 307,397 | 1,592 |
| Shandong | 82,862,394 | 814,444 | 712,825 | 3,164 |
| Henan | 83,968,922 | 889,874 | 648,973 | 1,776 |
| Hubei | 52,828,449 | 924,175 | 209,894 | 6,692 |
| Hunan | 59,733,518 | 720,177 | 203,881 | 2,178 |
| Guangdong | 59,019,558 | 3,292,637 | 498,365 | 18,676 |
| Guangxi | 41,404,481 | 600,300 | 239,142 | 1,842 |
| Hainan | 6,283,819 | 216,711 | 56,392 | 560 |
| Sichuan | 105,577,477 | 1,204,659 | 429,891 | 6,146 |
| Guizhou | 31,769,159 | 440,297 | 180,753 | 857 |
| Yunnan | 36,375,855 | 538,431 | 57,029 | 1,295 |
| Tibet | 2,126,391 | 62,293 | 7,160 | 166 |
| Shaanxi | 32,163,605 | 473,685 | 241,806 | 3,307 |
| Gansu | 21,948,984 | 311,192 | 109,879 | 1,086 |
| Qinghai | 4,221,439 | 181,011 | 54,265 | 231 |
| Ningxia | 4,529,764 | 95,350 | 29,884 | 453 |
| Xinjiang | 14,467,041 | 561,453 | 126,067 | 1,217 |

Compared with the third census, the population of various types of registered permanent residence has changed in the past eight years in terms of the percentage in the entire population. The number of people whose permanent residence and registered permanent residence are in the same counties or cities has dropped from 98.86 percent to 97.37 percent, and the number of people whose permanent residence and registered permanent residence are not the same (referring to people who live in other counties and cities than their own, people who have left the areas where their residence is registered, and people whose permanent residence has yet to be determined) has risen from 1.13 percent to 2.61 percent.

Compared with the third census, the number of people whose permanent residence is different from their registered permanent residence has increased in varying degrees in all provinces, autonomous regions, and municipalities directly under the central government.

Guangdong, Beijing, Guangxi, Hainan, Jiangsu, Sichuan, Hunan, Shanxi, Fujian, and Ningxia have a higher percentage than the national average. Among them, the number of these people in Guangdong has increased from 497,527 to 3,791,002, or an increase of 7.62 times; and the number of these people in Beijing has increased from 169,868 to 602,131, or an increase of 3.54 times.

Major 1990 census data (5)

The percentage of people of various types of registered permanent residence in the total population

A. Names of areas.

B. The percentage of people whose registered permanent residence is in their own counties and cities.

C. The percentage of people whose live in their own counties or cities more one year or more, but whose registered permanent residence is in other counties or cities than their own.

D. The percentage of people who live in their own counties or cities, but who have left the areas, where their permanent residence is registered, for one year or more.

E. The percentage of people whose registered permanent residence in their counties or cities has yet to be determined; and

F. The percentage of people who used to live in their own counties or cities, but who are working or studying abroad and do not have registered permanent residence for the time being

| A | B | C | D | E | F |
|----------------|-------|------|------|------|------|
| Total | 97.37 | 1.75 | 0.13 | 0.72 | 0.02 |
| Beijing | 93.98 | 4.51 | 0.29 | 0.77 | 0.45 |
| Tianjin | 97.98 | 2.01 | 0.07 | 0.53 | 0.04 |
| Hebei | 98.36 | 1.13 | 0.04 | 0.47 | 0.00 |
| Shanxi | 96.56 | 2.49 | 0.16 | 0.79 | 0.00 |
| Inner Mongolia | 95.65 | 2.62 | 0.19 | 1.53 | 0.01 |
| Liaoning | 97.20 | 1.87 | 0.20 | 1.53 | 0.02 |
| Jilin | 96.84 | 1.91 | 0.12 | 1.12 | 0.01 |
| Heilongjiang | 94.76 | 3.33 | 0.22 | 1.68 | 0.01 |
| Shanghai | 94.98 | 3.67 | 0.40 | 0.45 | 0.50 |
| Jiangsu | 97.04 | 1.82 | 0.11 | 1.01 | 0.02 |
| Zhejiang | 97.49 | 1.60 | 0.14 | 0.76 | 0.01 |
| Anhui | 98.08 | 1.28 | 0.07 | 0.56 | 0.01 |
| Fujian | 95.40 | 2.42 | 0.20 | 1.89 | 0.10 |
| Jiangxi | 97.67 | 1.42 | 0.09 | 0.82 | 0.00 |
| Shandong | 98.19 | 0.92 | 0.05 | 0.84 | 0.00 |
| Henan | 98.20 | 0.95 | 0.09 | 0.76 | 0.00 |
| Hubei | 97.89 | 1.62 | 0.09 | 0.39 | 0.01 |
| Hunan | 98.47 | 1.12 | 0.07 | 0.34 | 0.00 |
| Guangdong | 93.94 | 4.79 | 0.46 | 0.79 | 0.03 |
| Guangxi | 98.01 | 1.33 | 0.09 | 0.57 | 0.00 |
| Hainan | 95.83 | 3.02 | 0.28 | 0.86 | 0.01 |
| Sichuan | 98.47 | 1.04 | 0.08 | 0.40 | 0.01 |
| Guizhou | 98.08 | 1.24 | 0.12 | 0.56 | 0.00 |
| Yunnan | 98.39 | 1.33 | 0.13 | 0.15 | 0.00 |
| Tibet | 96.82 | 2.63 | 0.20 | 0.33 | 0.00 |
| Shaanxi | 97.81 | 1.34 | 0.10 | 0.74 | 0.01 |
| Gansu | 98.11 | 1.32 | 0.08 | 0.49 | 0.00 |
| Qinghai | 94.72 | 2.98 | 1.07 | 1.22 | 0.01 |
| Ningxia | 97.30 | 1.90 | 0.15 | 0.64 | 0.01 |
| Xinjiang | 95.46 | 4.42 | 0.28 | 0.83 | 0.01 |

The State Statistics Bureau

[Dated] December 18 1990

Noncommunists Named Special Procurators

OW1912145590 Beijing XINHUA in English
1434 GMT 19 Dec 90

[Text] Beijing, December 19 (XINHUA)—China's Supreme People's Procuratorate today invited 18

members of non-communist parties and non-party persons to become special procurators.

The 18 were recommended by China's eight non-communist parties and the All-China Federation of Industry and Commerce with the help of the United

Front Work Department of the Chinese Communist Party Central Committee, said Liu Fuzhi, chief procurator of the Supreme People's Procuratorate.

Addressing a meeting today held to invite non-Communist Party members and non-party persons to become special procurators, Liu said the special procurators will help the supreme procuratorate combat official corruption.

"The special procurators will participate in the investigation, study and re-examination of serious corruption cases and cases of violating citizens' rights and dereliction of duty as well as ordinary criminal cases," said Liu. He added that they will also be involved in the study and discussion of laws, policies and major problems of procuratorial work.

Liu said he regarded special procurators as "a channel and bridge" between procuratorates and ordinary people.

According to China's Constitution and laws, the people's procuratorates are supervisory organs. They directly investigate cases of embezzlement, bribery and violations of citizens' rights and dereliction of duty. They also exercise legal supervision over the implementation of criminal law and criminal, civil and administrative lawsuits.

Jiang Minkuan, deputy head of the United Front Work Department, said at the meeting that inviting non-Communist Party members and non-party persons to become special procurators will promote multi-party co-operation and political consultation under the leadership of the Chinese Communist Party.

Peng Chong Praises Special Procurators

*OW2012084890 Beijing XINHUA Domestic Service
in Chinese 0901 GMT 19 Dec 90*

[By reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 19 Dec (XINHUA)—Eighteen members of noncommunist parties and nonparty persons have been hired to serve as special procurators. The Supreme People's Procuratorate issued letters of employment to them at a meeting held in the Great Hall of the People today.

The 18 special procurators are Wang Cunhou, Zhu Weijiu, Wen Chongzhen, Wang Wangqiu, Wang Shunhua, Chen Zuren, Huang Jingjun, Zha Yongqing, Zeng Guangyu, Gao Wenjie, Guo Zhengyi, Yang Xuechun, Jiang Chunsong, Zhai Shengde, Situ Qing, Wang Bingxu, Xu Mengshan, and Zhou Wenren.

Present at the meeting were Peng Chong, vice chairman of the National People's Congress [NPC] Standing Committee; Ma Wenrui, vice chairman of the Chinese People's Political Consultative Conference National Committee; and others.

Peng Chong extended his warm congratulations to the newly hired special procurators on behalf of the NPC Standing Committee. He said: The Supreme People's Procuratorate's hiring of these 18 members of noncommunist parties and nonparty persons as special procurators is an important measure in the implementation of the "opinions of the CPC Central Committee on persisting in and improving the system of multiparty cooperation and political consultation under the leadership of the CPC," and to strengthen socialist democracy and the legal system.

In his speech at the meeting, Liu Fuzhi, procurator general of the Supreme People's Procuratorate, expressed his belief that the hiring of the special procurators by the procuratorial organ is an important measure in strengthening the socialist procuratorial system with Chinese characteristics. He pointed out: The special procurators' major duties are to reflect or transmit information on reports and indictments of crimes committed by state functionaries, and on petitions over the dissatisfaction with criminal punishment; to take part in investigations, studies, and reexaminations of some cases, particularly serious corruption cases and those of violating citizens' rights and dereliction of duty; to participate in discussion and research of major questions concerning laws, policies, and procuratorial work; and to publicize the socialist legal system and procuratorial system.

Jiang Minkuan, executive deputy head of the United Front Work Department of the CPC Central Committee, pointed out in his speech at the meeting: Hiring noncommunist party members and nonparty persons to serve as special procurators will facilitate wider contacts between the procuratorial organs and the masses in society and as well as the performance of their procuratorial tasks. It also will enable noncommunist party members and nonparty persons to use their knowledge, talents, and social influence and play a positive role in participating in and discussing government affairs and in exercising democratic supervision. He said: We are gradually carrying out the task of "hiring a number of democratic party members and nonparty persons who meet specific qualifications and have specialized knowledge to serve as supervisors, procurators, auditors, and educational inspectors," as proposed in the "opinions of the CPC Central Committee on persisting in and improving the system of multiparty cooperation and political consultation under the leadership of the CPC."

Peng Qingyuan, vice chairman of the Central Committee of the Kuomintang Revolutionary Committee, addressed the meeting on behalf of eight democratic parties and the All-China Federation of Industry and Commerce. Huang Jingjun, deputy head of the Propaganda Department of the China Democratic League Central Committee, spoke on behalf of the special procurators. Peng Qingyuan urged the newly hired comrades to be faithful to facts and law and to help further improve the socialist legal system and procuratorial system. Huang Jingjun pledged to study seriously, fulfill

his duties conscientiously, and strive to reflect the people's opinions and demands.

Wang Bingqian Reports on Education Allocations

OW1812144990 Beijing XINHUA in English
1243 GMT 18 Dec 90

[Text] Beijing, December 18 (XINHUA)—Chinese Finance Minister Wang Bingqian said here today that this year the state has increased its education budget by 3.76 billion yuan as compared with 1989 to a total of 41.05 billion yuan, although China's entire national economy is undergoing rectification.

Wang, who is also a state councilor, said at a national meeting on education that in recent years financial departments at various levels have done their utmost to support education.

He said that in 1989 the education budget totalled 37.3 billion yuan, 4.9 times that of 1978. "The annual increase rate in the education budget in the past few years has been 15.5 percent, far surpassing that of the national revenue," Wang noted.

During the Eighth Five-Year Plan period (1991-1995), Wang said, the various financial departments of the country will try their best to increase funds for education, which is expected to see a more stable development in the next decade.

Dual Leadership Over External Propaganda Viewed

HK2012053590 Hong Kong TANGTAI in Chinese
No 51, 17 Nov 90 p 5

[Article by Tsai Wen (5591 7186): "Dual Leadership Over External Propaganda Work"]

[Text] A "National External Propaganda Work Meeting" was held in Beijing from 29 October to 7 November. Some documents about this meeting have now been released to elaborate on the structure, work orientation, and financial arrangements of the newly established propaganda department.

The new department is to be split from the CPC Central Committee's Propaganda Department, and placed under the State Council so that it can enjoy more convenience in handling external affairs (since it is unsuitable for a party organization to openly meddle in government affairs and inconvenient for such an organization to be involved in external activities). This department will have the open status of a state organ but be placed under the dual leadership of both the party and government. As a ministerial-level body, this department will rank among other departments directly under the State Council. It will share the work with the existing Press and Publications Administration; while the latter concentrates on operational administration and is mainly in charge of internal propaganda, this new department will focus its attention on the formulation of propaganda plans, release of information (in coordination with

XINHUA NEWS AGENCY), and external propaganda. The establishment of this new department runs counter to the principle of institutional streamlining advocated by the CPC itself.

Zhu Muzhi and Zeng Jianhui Will Head the Department

This new department is provisionally named State Council External Propaganda Office. This name can be changed at any time so long as its establishment has not been officially announced, because the name is not important to an organ within the CPC's operational framework. Also, since this department has the official status of a government organ, it will be officially established only after approval by the National People's Congress [NPC] or the NPC Standing Committee. For this reason, it will not operate publicly pending such an approval.

The Department Is Now Coordinating Its Relations With Other Departments

As reported earlier, Zhu Muzhi will be appointed director of this office, while Zeng Jianhui, the incumbent deputy director of the CPC Central Committee Propaganda Department and concurrently deputy director of XINHUA NEWS AGENCY, will be appointed deputy director of the office. This office's staff will finally expand to about 200. At present, Zhu Muzhi is undertaking two duties: First, to recruit staff members for all the subordinate bureaus; and second, to coordinate with all the departments concerned, for instance, coordinating with those existing propaganda departments or organizations based in various provinces, municipalities, autonomous regions, or even overseas to adjust their relations with this new office. In this connection, the office will have to call a series of special meetings.

The new office will also be in charge of the propaganda operation toward Taiwan. Since there is no pro-mainland mass media in Taiwan, the communist Chinese authorities are planning to take advantage of the contention within the Taiwan press to infiltrate several newspapers, and then use them as propaganda channels.

Women's Federation Meeting Closes 10 Dec

HK1912123590 Beijing RENMIN RIBAO in Chinese
11 Dec 90 p 4

[Report by Dong Hongjun (5516 1347 6511): "Third Executive Meeting of All-China Women's Federation Closes, Elects Zhao Di and Yang Yanyin as Vice Presidents"]

[Text] Beijing, 10 Dec (RENMIN RIBAO)—The four-day third executive committee of the Sixth All-China Women's Federation concluded today. At the meeting executive members examined, deliberated in a serious manner, and passed the work reports read by Comrade Huang Qizao, vice president of the All-China Women's

Federation and first secretary of the federation's Secretariat, on the behalf of the sixth executive committee.

Comrades present at the meeting were all greatly excited about the improvements in the external environment for the work of the federation. Some executive members remarked happily that in the 40 years since liberation, it was the first time that the central authorities had issued documents concerning strengthening leadership over the work of mass organizations; the general secretary of the party central authorities had made an important address on adhering to a Marxist view on women; the State Council had set up a coordinating organ charged with performing practical service for women and children—the Women's and Children's Work Coordinating Committee; and the federation and Central Committee Organization Department held a joint work seminar on training and selecting women cadres, and so on. Many comrades responded to this remark enthusiastically: "The spring for women's work has arrived."

At the executive meeting, on the proposal of the Seventh Standing Committee of the Sixth All-China Women's Federation concerning the personnel arrangement for the current executive committee, the executive committee was augmented by 12 members, the Standing Committee by three, and two more vice presidents were elected. Through an election by vote at the executive committee, Minister of Textile Industry Comrade Wu Wenying, Minister of Chemical Industry Comrade Gu Xiulian, and Vice President of the All-China Federation of Trade Unions and member of the federation's Secretariat Comrade Zhang Ruiying were elected as Standing Committee members of the All-China Women's Federation. The former Henan Provincial CPC Committee Deputy Secretary, currently secretary at the Secretariat of the All-China Women's Federation Comrade Zhao Di; and former Director of Shandong Provincial Women's Federation, currently secretary at the Secretariat of the All-China Women's Federation Comrade Yang Yanyin, were both elected vice president of the All-China Women's Federation.

Zhang Jichun's 'Selected Works' To Be Published

*HK2012061790 Beijing RENMIN RIBAO in Chinese
15 Dec 90 p 4*

[Article by Song Renqiong (1345 0117 4522): "Preface to the *Selected Works of Zhang Jichun*"]

[Text] Comrade Zhang Jichun was the party's older generation proletarian revolutionary, a fine leader in the political work of the party and the Armed Forces, and an outstanding educationist. Throughout his life he fought for the overthrow of the reactionary rule in Old China, for the founding of New China, as well as for socialist revolution and construction. He died on 12 September 1968 as a result of persecution by the Lin Biao and Jiang Qing counterrevolutionary cliques. The memorial speech given by the CPC Central Committee pointed out: Comrade Zhang Jichun's life was a revolutionary,

militant, and glorious life. The entire Armed Forces and people should learn from Comrade Zhang Jichun's firm party spirit, noble morality, and fine style that took shape through the tempering of decades of revolutionary struggle under the cultivation of the party.

This selection is composed of some articles, reports, memoirs, diaries, and important speeches written by Comrade Zhang Jichun during the revolutionary war years and in the early days after the founding of the PRC, 45 pieces of writings in all. Most of them have never been published before.

When he was young, Comrade Zhang Jichun took an active part in the student and peasant movements led by the CPC. He joined the CPC in 1926. After joining an uprising led by Zhu De and Chen Yi in south Hunan in 1928, he followed their forces to the Jinggang Shan. He was one of the earliest leading cadres in our Armed Forces' political work. He made contributions to the initiation of the Red Army's political work under Chairman Mao's leadership.

For years Comrade Zhang Jichun was political departmental director of the Red Army University and the Military and Civil University for Resistance Against Japanese Aggression. As a leader and organizer of these two universities, he resolutely carried out Chairman Mao's educational policy and made great efforts to train and turn out a large number of talented people for party, government, and military leadership. He really had grown peaches and plums everywhere.

In the liberation war period, Comrade Zhang Jichun was a close comrade in arms and capable assistant of Comrades Liu Bochong and Deng Xiaoping. During the difficult days when field armies were waging frequent battles, he followed the instructions of the party Central Committee and Chairman Mao in strengthening political and ideological work, establishing and improving the party committee system, carrying out a new type military rectification movement, introducing the Wang Kequn unity and mutual aid campaign, conducting mass work, resolutely implementing the policy on new liberated areas, strictly pursuing the three main rules of discipline and the eight points for attention, and doing a great deal of creative work. Comrade Zhang Jichun wrote many important editorials and articles for ZHANYOU BAO [COMRADES IN ARMS GAZETTE], RENMIN ZHANSHI BAO [PEOPLE'S SOLDIERS GAZETTE], and JUNZHENG WANGLAI [MILITARY AND GOVERNMENT EXCHANGES]. He also delivered many brilliant speeches and talks at different meetings. The "Comprehensive Report by the Central Plains Field Army to the Central Military Commission on the Main Ideological Situation of Military Units Engaged in the Huai-Hai Battle" written by Comrade Zhang Jichun was commended by Chairman Mao on 21 February 1949 as follows: "We welcome reports written this way. It is lively and vivid. Readers can easily understand it and

where lessons and experiences are." In short, he made immortal contributions to the success of China's revolutionary war.

After the founding of the PRC, Comrade Zhang Jichun took up an important post in the Southwest Bureau under the CPC Central Committee. He was subsequently transferred to Beijing and appointed deputy director of the CPC Central Committee Propaganda Department and director of the CPC Central Committee Cultural and Educational Office. He firmly implemented the line and policies of Chairman Mao and the CPC Central Committee and made positive contributions to construction in southwest China, to the propagation of Marxism-Leninism-Mao Zedong Thought, to the development and prosperity of socialism in China, and to China's culture and education.

Comrade Zhang Jichun was a veteran CPC member. He was above-board and had a strong sense of party spirit. He was sincere and generous to others but strict to himself. He was serious and conscientious about work and scrupulous about every detail. He personally wrote reports and articles. I worked with Comrade Jichun for years and learned a great deal from him. Comrades who worked with him respected him very much. The *Selected Works of Zhang Jichun* was compiled by Comrades Chen Heqiao, Yin Bushi, and Wang Zongbai from the Political Department of the former Second Field Army after making serious verifications and collecting his manuscripts from various places. Articles written by other veteran comrades to cherish memories for Comrade Jichun are annexed to this book, not only to commemorate the achievements of this long-tested loyal communist but also to let the younger generation emulate the glorious tradition of our party and Armed Forces. More importantly, this will serve as good study material for party, government, and military cadres as well as comrades in charge of propaganda, cultural, and educational work.

Science & Technology

Tianjin Develops 'Breakthrough' Ceramic Engine

OW1912054090 Beijing XINHUA in English
0225 GMT 19 Dec 90

[Text] Tianjin, December 19 (XINHUA)—North China's Tianjin University recently announced a breakthrough in the development of a pottery and porcelain engine.

An appraisal meeting held here today revealed that two key parts required for this type of engine have been successfully produced using pottery and porcelain material, the world's first successful production using this particular material. In addition, the engine has been operating successfully in the laboratory.

The wear- and heat-resistant engine, which is made of pottery and porcelain materials, eliminates the need for

the cooling system required for traditional engines made of metal. As a result engine weight is reduced, and fuel saving amounts to 3-5 percent.

Development of a pottery and porcelain engine is one of the 10 major problems facing scientific and technological research. Research on such an engine began in the early 1950s.

China organized 10 universities, as well as science and technology research institutes, to engage in the research program as a key project for the Seventh Five-Year Plan (1986-1990). The country invested millions of yuan in the project.

The progress made to date will greatly accelerate further development of the engine during the Eighth Five-Year Plan period (1991-1995).

Satellites Aid Flood-Control Automation

OW1912175490 Beijing XINHUA in English
1524 GMT 19 Dec 90

[Text] Zhengzhou, December 19 (XINHUA)—Thanks to weather satellites and other information systems, Yellow River floods can be forecast 20 hours beforehand.

According to a flood-control computer application meeting held here recently, the flood-control command posts above the provincial level and the information monitoring of seven rivers including the Yangtze River and the Yellow River have been automated.

Since 1980 China has been using computers to forecast floods and coordinate flood policies. So far, all the rain, water and project information systems have been computerized, apart from in some remote regions such as the Tibet autonomous region.

The state flood-control headquarters and some other provincial flood-control departments have set up large screens directly indicating flood situations and automobile computer systems receiving cloud charts from meteorological satellites.

The various anti-flood stations throughout the country are also linked by computer.

For example, there are 170-odd hydrological stations from Sanmenxia to Huayuankou on the Yellow River. They can now finish the work of collecting data and forecasting floods in 15 minutes, compared to four hours before the new systems were installed.

Floppy Disk Production Ranks Third in World

OW1712074390 Beijing XINHUA in English
0703 GMT 17 Dec 90

[Text] Beijing, December 17 (XINHUA)—The "PEOPLE'S DAILY" reported today that China now produces over 300 million floppy disks per year, making it the

world's third largest manufacturer of the product following the United States and Japan.

Only five yrs ago all floppy disks used in China were imported.

The country's 27 enterprises engaged in the manufacture of floppy disks have an annual production capacity of over 300 million pieces.

Besides meeting the demands of the domestic market, an increasingly large number of floppy disks made in China are now being exported, according to the newspaper.

A recent survey revealed that 19 types of floppy disks produced by 12 enterprises are now equal to international standards.

Eight Experimental Desert Control Areas Planned

OW1912175090 Beijing XINHUA in English
1651 GMT 19 Dec 90

[Text] Beijing, December 19 (XINHUA)—China is to set up eight experimental desert-control areas in the next five years, according to the Chinese Academy of Sciences.

These eight regions, in which economic, ecological and social benefits will be combined, are to be set up in the Inner Mongolia, Xinjiang Uygur and Ningxia Hui Autonomous Regions, Jilin and Gansu Provinces and near Beijing.

Upon the completion of the project, in these areas more trees and grass will be planted, the area of drift sand will be reduced by up to 40 percent, the yield of grain and the output value of animal husbandry raised by 50 percent, and the average income of the people of these poor areas at least raised to the average level of the whole country.

Desertification is a severe ecological and environmental problem worldwide. It covers 15 percent of the earth and affects 25 percent of the world's population.

In the past four decades a total of 176,000 sq km of land has become desert in China and another 158,000 sq km of land are threatened by desertification.

As early as in the 1950s the Lanzhou Institute of Desert Research under the Chinese Academy of Sciences began to study how to prevent desertification.

In pastoral areas, apart from determining the rational size of herds, rotating grazing and planting forage grass, more wells are to be dug in appropriate places and permanent roads built.

High-Tech Methods Urged for Light Industry

HK1912023090 Beijing CHINA DAILY in English
19 Dec 90 p 2

[By staff reporter Chang Weimin]

[Text] Zeng Xianlin, minister of light industry, has urged the sector to concentrate on introducing new technology in a bid to ease the grim situation now facing the industry.

"Technical progress is a remedy that gets to the root of the problems the industry faces now," Zeng told a conference in Beijing yesterday attended by senior ministry officials.

But Zeng admitted that the industry had developed rapidly and had made remarkable achievements over the past decade.

Between 1986 and this year, he said, the industry had completed 530 state-set technical development projects. Some 120 had reached the country's highest level and 14 had reached the world level of the mid-1980s.

Such technical progress had led to the creation of profits of 3 billion yuan (\$520 million) and foreign exchange earnings of \$1.52 billion, Zeng said.

Some 9,000 new products had been developed every year for the past five years, he said.

The industry could now produce more than 4,000 different kinds of light industrial equipment, 25 percent of which met the world level of the 1980s.

Coupled with that, he said, 48 State-level product testing centres had been set up.

Thanks to such progress, he added, the industry had created profits totalling 229.4 billion yuan (\$40.1 billion) and foreign exchange earnings of \$39.2 billion in the five years.

But, the minister said, the situation now facing the industry was grim.

This could be seen in the fact that high-grade products were falling short of meeting demand.

Utilization of new technology, materials and equipment was not extensive and the industry's general technological level was much lower than that of the world as a whole, Zeng noted.

At present, he said, only 24.66 percent of production value was created by means of technical progress, compared with 60 to 70 percent in developed nations.

Production for next year was scheduled to grow at 6 percent, he said, but added that estimates showed the industry's current strength could guarantee only a 3 percent growth.

"What about the other 3 percent?" Zeng asked, saying the only way was to make greater use of new technology.

Zeng said the industry planned to increase production of high-quality goods next year so that they account for 15 percent of the total number of goods produced, compared with 12 percent of the total at present.

Research Boost Urged for Traditional Medicine

OW1912182190 Beijing XINHUA in English
1530 GMT 19 Dec 90

[Text] Beijing, December 19 (XINHUA)—Minister of Public Health Chen Minzhang today called for experts in traditional Chinese medicine to strengthen academic research and make more contributions to the development of traditional Chinese medicine.

"Revitalizing traditional Chinese medicine depends on science and technology, excellent scientific research personnel and a high level of academic research," the minister told a symposium here on the 35th anniversary of the founding of the Academy of Traditional Chinese Medicine.

The academy pursues a complete range of research subjects, backed by the latest equipment. In the past 35 years it has turned out 377 scientific research achievements, of which five won national prizes.

During the Seventh Five-Year Plan period (1986-1990) research on the "main and collateral channels" (regarded as a network of passages through which vital energy circulates and along which the acupuncture points are distributed) was only one major basic research item initiated by the academy.

The academy attaches great importance to the curative effect of clinical practice. It treats tumors, hepatitis, diabetes, fractures and other disorders with traditional Chinese medicine or a combination of traditional Chinese and Western medicine.

Since China opened to the outside world a dozen years ago, many foreign patients have come here to seek medical advice. In recent years more than 5,000 foreign patients have visited the Academy of Traditional Chinese Medicine each year.

Meanwhile, the World Health Organization has set up three research centres concerned with acupuncture, traditional Chinese clinical medicine and research at the academy.

In the past ten years more than 20,000 specialists and students from 80 countries or regions have visited the academy, some to give lectures.

Military

First PLA Quick-Reaction Unit Observed

HK1912153090 Beijing LIAOWANG in Chinese
No 49, 3 Dec 90 pp 16-17

[Article by Ge Xiangxian (5514 6272 6343) and Wu Dongfeng (0702 2639 1496): "Divine Troops of the Republic—A Visit to Our Country's First Quick-Reaction Unit"]

[Text] The "enemy missile base" was closely guarded.

When the sun had just set, a helicopter was flying in the valley at an ultra-low altitude, quietly and carefully avoiding radar detection.

Suddenly, a number of soldiers, wearing camouflage, jumped out of the cabins, and fired at the guidance and defense systems in the "enemy missile base" with all kinds of weapons and destroyed them. Later, under cover of crossfire, a shock brigade soldier placed a time bomb in the most important part of a missile launcher. With a big explosion, the "enemy missile base" was instantly turned into a sea of flames. By this time, the soldiers, who had been dropped from the sky, had already boarded the helicopters, and were slowly ascending to the sky.

The attack operation on the "enemy missile base" was over in a little less than seven minutes.

The unit undertaking the "combat operation" was the People's Liberation Army's [PLA] first special-mission, quick-reaction unit. Since it was formed several years ago, the unit has undergone rigorous, strenuous and scientific training, and now it possesses a high degree of combat strength and has become a new type of unit possessing special combat abilities such as land infiltration, airborne mobility, amphibious warfare, and struggle in the enemy's rear.

In a tree-shadowed military camp, we interviewed some young soldiers of the unit. The partly visible net-like radar antenna and the new-model trucks that were coming and going made us feel the mystery and strong atmosphere of this place.

To the rest of the world, the quick-reaction unit is not a new thing. Its origins can be traced back to World War II, and since then it has finally developed into an independent arm of the services. The remarkable achievements of this arm have spread, like a legend, all over the world. During World War II, the British "Goodman" shock brigade launched a sudden attack on Nazi Germany's heavy water purifying works in Norway's (Norkesee). Heavy water is an important element in the manufacture of atomic bombs. The British military operation effectively prevented Nazi Germany from developing the atomic bomb.

One day in July 1976, four large transport planes suddenly landed at Uganda's Entebbe Airport. Those emerging from the planes were not ordinary passengers, but fully armed Israeli soldiers. In a split second, they were able to take back the 100 and more hostages from the terrorists. That was the "flash operation" of the world-shocking Israeli "Wild Boys" shock brigade, and was considered the "bravest wonder in contemporary military history."

On the eve of the Falkland Islands War, the British "Special Air Services Regiment" unexpectedly turned up on South Georgia Island and (Peibuer) Island. It took the ports and bombarded the airports, raising the curtain on

the Falkland Islands War and creating favorable conditions for the landing of major British forces.

Although peace and development have become irreversible historical trends, local wars and sudden violent incidents never cease for a minute. In order to reduce casualties in a military operation and put one side in a better political and military position, military departments of all countries are keen on building up capable quick-reaction units, and undertaking small-scale but highly risky and decisive military actions. Some Western military experts have stated with certainty: "Battlefields in the future will only be for the use of small, special units."

In keeping with the development of the world political and military situation, China's relevant policy-making departments decided several years ago to build up similar quick-reaction units to tackle possible local wars and contingencies, and shoulder special duties such as antiskidnapping, antiterrorism, and antiviolence duties.

Fan Xiaobing, 35, is the unit head, and is a legendary figure in the military district. He is an expert marksman and a very good boxer. He can drive all types of trucks. During the war of self-defense against Vietnam, he went as far as the enemy's rear to collect information and courageously engaged in ambush battles. He told the reporters that although China was late in building up a quick-reaction unit, it was not merely a plan on a sheet of paper. In wartime, the PLA created numerous combination modes under all kinds of special conditions, such as the renowned Railway Guerrilla Brigade, the Armed Working Team in enemy-occupied areas, and the Shao Jianbo-style detachments in "Immense Forest and Snowfield [LINHAI XUEYUAN]." The unit, that has inherited the PLA's traditions and uses the modern technology and advanced experience of troops of other countries, will definitely become the PLA's especially keen steel knife. When the reporters came to the unit's training field, the soldiers were undertaking basic physical training. The lessons were martial arts, wrestling and brick-breaking with qigong. The height of all these young warriors is 1.7 meters or more, and they are robust and strong. The squadron head, who was responsible for the training, said: The soldiers have been carefully selected, one from among a hundred from various military units. In addition to the required ideological, political, and physical qualities, they have to go through various tests, including rigorous physical agility, military skills, and intelligence tests, before they are selected. Here cadres at and above the level of platoon leader are all outstanding graduates from Army academies.

The unit receives much more rigorous training than ordinary units. They do a 10-km cross-country exercise carrying weapons early in the morning, in addition to the eight-hour ordinary training day. Before class begins in the morning, they run, carrying bricks in their arms, two circuits of the barracks. In the afternoon, they practice boxing for half an hour. Before class begins in the

afternoon, they do 150 pushups, 100 squats while carrying weights, and 300 meters of frog jumping. Before going to bed at night, they hit sandbags or the wall 100 times with their heads, elbows, knees, palms, fists, and legs, and do 200 pushups. Yin Daoqing, vice squad leader and corporal of the 11th Class of the Fifth Detachment said: "At the previous school, I was the strongest among my friends. But here, I need to do my best, otherwise I will lag behind."

In order to train the head's resistance to blows, the warriors begin by hitting their heads with their hands and sandbags and then hit their heads against trees and walls. After two to three months of training, they break bricks, wine jars, stools, and even water vats with their heads. Now all soldiers are able to break jars with their heads. One can imagine the price they have paid for this. Almost all the soldiers have two or three white bald scars on their heads, the result of their hitting their heads against walls and wine jars. Many soldiers are worried they will be disfigured and will have difficulty finding girlfriends in the future.

In spite of this, the warriors pride themselves on receiving the tough training. One day, when more than 20 warriors were receiving training, they hit a wall with their heads with a loud "hi....." Suddenly, with a great rumbling, they smashed more than 20 colorful cement windows [ni hua chuang 3136 5363 4514] on the wall. At the sight of this, the commanding officer was surprised and felt pain in his heart.

Highly demanding military training goes on here: When the fully armed warriors are riding on motorcycles at high speed, they change hands in driving motorcycles, jeeps, and trucks. They then jump onto armored cars or tanks, and continue to drive. The machine guns in the armored cars fire a number of shots. All hit the targets. The tanks' four cannon also hit four objects. Under cover of armored cars and tanks, 12 warriors fire four types of pistol, four types of submachine gun, and two types of light and heavy machine guns, with some lying, some kneeling, and others standing. The bullets hit all the targets. They then shoot with recoilless guns, mortars, rocket launchers, and so on. They have done well once again.

The development of modern warfare demands that all arms of the services be highly specialized, while quick-reaction units be multifunctional. Strengthening multifunctional training, and learning to use various types of weapons, including the enemy's weapons, is a major characteristic of the training for this unit.

It is said that on the basis of extensively absorbing the PLA's training results and the experience of foreign troops, the unit has explored and formulated the PLA's first set of training outlines. In keeping with the demand that they should specialize in one skill while mastering others, all the officers and men receive highly intense and all-directional training, including basic training in regulations and orders, formation drilling, and physical

training; training in skills, including the use of all types of weapons, bomb throwing, setting explosives, wrestling, climbing, mine detection, photography, parachuting, telecommunications, map reading, river crossing, and camouflage; tactical training, including infiltration tactics, attack, ambush, attack prevention; and special training including foreign languages, geography, meteorological knowledge, driving the major types of trucks, and field survival skills. They use the mode of graded training: In grade one, they are required to finish basic training and partial tactical and technical training. In grade two, they receive basic training in tactics and skills. In grade three, they receive training in special subjects. Moreover, they use the examination system, by which they eliminate incompetent trainees in different processes.

In order to facilitate training, basic standardized training facilities have been built in the barracks, including the operational hall, special reconnaissance training field, parachute training field, 400-meter hurdle training field, comprehensive shooting field, tactics training field, special explosion and firing training field, foreign-troops research office, classrooms for geography, meteorology, and mathematics, and telecommunications training hall.

The unit makes it a principle to use advanced, easily operated, light, and multifunctional weapons. The reporters were allowed to visit their weapons warehouse. Here there were all types of special trucks, shock weapons, self-defense weapons, reconnaissance equipment, sabotage equipment, telecommunications weapons, airborne equipment, climbing equipment, and warming equipment. The knives, knifed guns, pilotless reconnaissance planes, grenade launchers, and image and television [zhao xiang dian shi 3564 0288 7193 6018] reconnaissance truck that can take pictures of an object a hundred li away were all new to us.

A specially designed necessity backpack is supplied to each of them. In the past, on an operation, a soldier had to hang a dozen things on his body. Now they can put all weapons and other daily necessities in one pack. A soldier, carrying a colorful backpack of this kind, told us: "If the backpack were to be advertized on television, it would definitely have big sales across the country."

Advanced weapons have added to the strength of this miraculous unit.

Maintain an Army for a thousand days to use it for an hour. We can say that by building up this unit, the republic has added to its national defense ability.

Jiang, Yang Meet With Defense Scientists

OW1912141090 Beijing XINHUA Domestic Service
in Chinese 0922 GMT 19 Dec 90

[By reporter Xu Zhimin (6079 1807 2404)]

[Text] Beijing, 19 Dec (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee and

chairman of the Central Military Commission; Yang Shangkun, president of the PRC and vice chairman of the Central Military Commission; and other leading comrades had a cordial meeting at the Great Hall of the People with representatives to a national conference of directors of the offices of science, technology, and industry for national defense and a specialized meeting on national defense science, technology, and industry.

Song Renqiong, Liu Huaqing, Yang Baibing, Song Jian, and Zou Jiahua were present at the meeting.

The national conference of directors of the offices of science, technology, and industry for national defense, which ended today, was organized and convened by the Commission of Science, Technology, and Industry for National Defense. The conference stressed the need to carry forward the Chinese military industry's fine tradition of building an enterprise through arduous efforts and strengthen the leadership in overcoming difficulties facing the work combining military and civilian industrial production and in tapping potential. This will facilitate the strategic shift and promote a smooth circulation of scientific research and production.

It is understood that despite the shortages of funds and raw and semi-finished materials and strains on coordination this year, national defense science, technology, and industrial workers exerted themselves and scored remarkable results in the work of various fields. However, military industrial enterprises are still confronted with the problems of irrational product mix, weak adaptability, and a decline in civilian goods production and economic efficiency. The enterprises are not yet extricated completely from the predicament. It was pointed out at the conference that there will be ample opportunities for the military industry to utilize its technological superiority along with the deepening of improvement and rectification and restructuring the national economy.

The conference called on all comrades engaged in national defense science, technology, and industry to enhance their sense of responsibility as the masters of the country, heighten their spirit, and take the golden opportunity of readjusting the national industrial structure and product mix by going all out to develop high and new technological products, taking up key state projects for studying and manufacturing technological equipment and solving difficult technical problems, and actively studying and developing electrical and mechanical engineering equipment and import substitutes, which are urgently needed by the energy, transportation, communications, and key raw and semi-finished materials departments. Meanwhile, vigorous efforts must be made to develop an export-oriented economy and gradually shift the emphasis of the military industrial production of civilian goods to export products.

The meeting opened in Beijing on 12 December. Liu Huaqing, vice chairman of the Central Military Commission, made a speech on ways to develop science, technology, and industry for national defense.

Yang Shangkun Visits High-Tech Exhibition*OW1912174490 Beijing XINHUA in English
1532 GMT 19 Dec 90*

[Text] Beijing, December 19 (XINHUA)—Yang Shangkun, China's president and vice-chairman of the Central Military Commission, tonight visited an exhibition and fair here featuring civilian high-tech and export products turned out by military enterprises.

On display at the exhibition are 2,500 kinds of advanced technical items and quality products in the machinery, aerospace, nuclear and shipbuilding fields.

Transactions totalling 200 million yuan have been concluded at the fair since it opened December 15.

PLA Political Department Chief Interviewed*PM2012100490 Milan L'UNITA in Italian
18 Dec 90 p 12*

[Report on interview with General Shen Xue Zhan, secretary of the General Political Department of the People's Liberation Army, by correspondent Lina Tamburrino: "The Army: 'We Would Repeat Tiananmen'"; place and date not given]

[Text] Beijing—For the first time, an interview with a general at the top of the Chinese Army's political leadership. "The disorders of 1989 will never happen again, but if it were necessary and if the party were to ask us to do so, we soldiers would certainly do again what we did last year." An outright earthquake has shaken the Armed Forces since the Tiananmen massacre.

What is the "main task"? Military training or "political training"? Since the repression at Tiananmen, this is the dilemma that has troubled the Chinese Army, which has been shaken by an outright earthquake during the past months. The supreme commanders and political commissars of six of the seven military districts have been replaced. These changes were due because the previous incumbents were appointed in 1985 when Deng Xiaoping replaced the surviving Maoists with younger leaders more loyal to him. But this time the appointments were partly influenced by services rendered during the tragic events of last year. A typical example of this is the appointment as political commissar of the Beijing region of General Zhang Gong, who was political director of the martial law troops. In that capacity, after 4 June 1989, he stated on television that there were only 23 casualties in the operation to "clear" the square.

Two contrasting documents were presented to the Army: the first, at the end of 1989, on political education; the second, in April this year, on military training, signed directly by Party Secretary Jang Zemin, who is also chairman of the Military Commission. Of the two, the latter passed in silence, while the former caused a tumult in the Armed Forces and also was backed by an intensive press campaign. The Army was subjected to a thorough

examination, cleansing, reorganization, and indoctrination. Some 100,000 groups were formed to honor and emulate the model soldier, Lei Feng, and these comprise a million officers and men (in an army of slightly more than 3 million.) The leadership cadres have been almost completely replaced. Some of them—110, to be precise—have been put in charge of squads (totalling 25,000 men) sent to work and live at the grass roots in direct contact with ordinary troops. All officers who had reached the upper age limit were retired and replaced by younger men selected on the basis of their better knowledge of politics and of the thinking of Marx, Lenin, and Mao. Thanks to the political document, a particular examination was made of officers' orientation, because it is they who could be influenced by "bourgeois" propaganda—certainly not the troops, the vast majority of whom are peasants from China's poorest areas. How many of these officers have been punished, transferred, purged? "Only a few proved to have confused ideas, and those few will be criticized and re-educated," said General Shen Xue Zhan, secretary of the People's Army's Political Department [name and title as published] and therefore one of its top leaders. "Only a few," because, the general explained, "if someone is influenced by bourgeois ideology he will certainly not manage to occupy an important position in the Army."

[Tamburrino] There was a very intensive debate during 1988 on what direction the military's political and ideological mobilization should take, at a time of "reform and opening up." It continued in the early months of 1989, and at the end of the year the Political Department issued its famous document. General Shen, was there any change between what you were saying early in 1988 and what you decided at the end of 1989?

[Shen] Yes, there was the June rising, and we understood better the importance of political work and of ideological mobilization.

[Tamburrino] You have said: The guns must be held by hands steadfastly loyal to the party, and you have engaged in a sharp controversy with those who have argued in favor of a more professional army more independent of politics. What has happened to those who propounded these theories?

[Shen] Listen, the dispute against these stances is directed more to the future than to the past and has a preventive purpose. We are by no means unaware that external reactionary forces have not relinquished the idea of changing China, and our Army could become a target for their activities. And we are very well aware that the Armed Forces are also exposed to the influence of bourgeois ideology and to the idea that money is the most important thing now. So we have said that political and ideological education is essential to guarantee the quality of our Armed Forces. To consider that there can be an army independent of politics is nonsensical. Armed forces everywhere are always the instrument of the ruling class. In China the Army was created by the

Communist Party and has always been under its leadership. And it will always be so.

[Tamburrino] Would you do again what you did last year?

[Shen] A repetition of those disorders is absolutely impossible. The Chinese situation today is stable; the population are directly experiencing the successes and advantages of our reforms and can see how negative the results of the changes in East Europe are. We also have learned our lesson and have equipped ourselves: Now the police would suffice; the Army would not be needed. Having said all that, there is no doubt: If we were to find ourselves again in a very grave situation and if the Communist Party were to ask us to do so, then we would do again what we did last year.

People's Liberation Army Reaps Good Harvest

OW1612034690 Beijing XINHUA in English
0207 GMT 16 Dec 90

[Text] Beijing, December 16 (XINHUA)—The farms run by the People's Liberation Army of China (PLA) have produced 700,000 tons of grains and beans this year, according to today's "PEOPLE'S DAILY".

They also produced 34,000 tons of edible oil, 660,000 tons of vegetables and 146,000 tons of meat, eggs, fish and shrimps.

The total income of these farms comes to 590 million yuan (about 118 million U.S. dollars).

Xinjiang Commends Units for Promoting Unity

OW1512040090 Beijing XINHUA Domestic Service
in Chinese 0600 GMT 14 Dec 90

[By reporter Ya Likun (0068 0500 0981)]

[Text] Urumqi, 14 Dec (XINHUA)—A meeting to commend and confer on 17 advanced units the honored title of "dual model in promoting unity among people of various nationalities and in promoting unity between the Army and the people" was held in Urumqi City on 12 December.

Since 1983, party committees and governments of Tianshan, Shayibake, Shuimogou and Xinshi districts in Urumqi City and various military units stationed in those districts have promoted extensive and thorough study on Marxist theory concerning nationality affairs, as well as propaganda and education on the party's policy on nationality affairs. Party committees of those districts and various military units have persisted in conducting education on protecting unity between people of various nationalities and between the soldiers and the people and opposing national splittism. Various localities and military units have formulated many realistic systems, plans, and measures for the educational work and have implemented a responsibility system for the work at various levels.

Stress was laid on conducting education in a varied and colorful manner and achieving actual results. As a result, the education has a profound influence on the masses, and more and more people of various nationalities "trust each other, respect each other, support each other, learn from each other, and understand each other."

The idea that "people of Han nationality and minority nationalities must be interdependent, and the military units and people of minority nationalities must rely on each other" has struck root in the hearts of the people. People of various nationalities have consciously and eagerly taken part in building civilized units together with the soldiers, and a large number of advanced collectives and individual models have emerged. Since then, 1,338 units have become dual models in promoting unity among people of various nationalities and unity between the soldiers and the people.

Anhui Leaders See Recruits Off at Station

OW1512064290 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 13 Dec 90

[Text] The drafting work in Anhui Province has progressed to the departure stage. Drafted recruits have started to leave their residences and report to their respective military units in different groups.

On the afternoon of 11 December, Wu Changqi, vice governor of the Anhui Provincial People's Government; Shen Shanwen, commander of the provincial military district; He Yanren, deputy commander of the provincial military district; Chen Peisen, deputy political commissar of the provincial military district; and leaders of Anhui Province and Hefei City and of the Hefei Military Subdistrict went to Hefei Station to bid farewell to new recruits.

More than 800,000 young people old enough to join the Army have applied to join the Army this year. Their zest to join the Army is unprecedented. Through rigid physical examination and screening work, a number of physically fit and politically reliable young people with high education were selected for various military units.

At the station, provincial and city leaders made warm speeches to those new recruits and encouraged them to firmly bear in their mind the trust of people of the whole province in them, carry forward the honorable tradition of our Army, respect their leaders, unite with other comrades, work hard to do all work well, make contributions to the building of national defense, and to win honor for people in their hometowns.

Guangzhou Military Region Holds Party Congress

HK1812072790 Guangzhou Guangdong Provincial
Service in Mandarin 1000 GMT 14 Dec 90

[Text] The sixth Guangzhou Military Region party congress opened in Guangzhou today. A total of 700 party-member representatives including leading cadres from various Army units of the military region, heroes, model

figures, advanced scientific and technological workers, enterprise cadres, workers, staff members, and related family members attended the meeting.

The meeting opened amid the solemn melody of *The Internationale*. Comrade Zhu Dunfa gave the opening speech. He said: The meeting is designed to review and summarize the work done in the period following the fifth military region party congress, define the goals and tasks for this military region's Army building in the next five years, and galvanize the broad ranks of officers and men and all party members into action to further strengthen the Army building.

Comrade Zhang Zhongxian, on behalf of the fifth military region party committee, made a report entitled "Work Hard To Upgrade This Military Region's Army Building Under the Guidance of Army Building Principle for the New Period." In his work report, he reviewed and summarized the achievements made and experiences gained in resolutely implementing the principles and decisions laid down by the party Central Committee and Central Military Commission, consolidating the party organization, reorganizing troops, protecting the motherland's southern frontier, combating bourgeois liberalization, and fortifying the solidarity between the Army on the one hand and the people and government of the other since the fifth military region party congress.

The report also advanced the objectives of the struggle and principal tasks for the next five years. The Army should step up the drive to revolutionize, modernize, and standardize itself so that they will become a force which is politically reliable, combat worthy, and can stand any severe test.

Nanjing Region Begins Regularization Training

OW1912101490 Hangzhou ZHEJIANG RIBAO in Chinese 11 Dec 90 p 1

[Text] The Nanjing Military Region yesterday held a training session in a certain division stationed in Zhejiang to deepen implementation of the "Formation Regulations," "Discipline Regulations," "Routine Service Regulations," and "Grass-Roots Construction Program" and to strengthen the building of a regular army.

Participants in this training were mainly leading cadres of the region's troops at and above the regimental level. The region's party committee attached great importance to this training. Commander Gu Hui and Political Commissar Shi Yuxiao personally assumed the posts of training captain and political commissar. Deputy Commander Guo Xizhang and Deputy Political Commissar Wang Yongming, respectively, served as their deputies. The military training was an important step by the region to implement the relevant instructions issued by the Military Commission and the General Department and to ensure that troops in the region maintain centralized unity and a high degree of stability.

Learning, listening, reading, discussing, and instructing were the principal methods used in the training to ensure that troops in the region share the same ideas, practices, and goals in implementing the regulations so that the training could truly become the starting point of the region's regularization construction.

All cadres participating in training stayed in the company's barracks. By living a strict, tense, and regularized company life, they learned more about the regulations and forged a closer relationship with the soldiers. At the same time, they also seriously explored and discussed various problems on strengthening and improving the troops' cultural and sports activities, their production activities, and the management of their daily life, given the existing supply standards and material conditions.

Deputy Political Commissar Wang Yongming gave an opening lecture yesterday morning, while Deputy Commander Guo Xizhang delivered a speech.

Defense University Grants First Master's Degrees

OW1612045290 Beijing XINHUA in English 0255 GMT 16 Dec 90

[Text] Beijing, December 16 (XINHUA)—Twenty-three students of military science have been granted master's degree from the National Defence University.

They are the first batch of masters of military science in China whose history of military science boasts 2,000 years.

The Beijing-based National Defence University started enrolling students studying for master's degree in 1987.

Economic & Agricultural

Bo Yibo on Importance of Product Quality

HK1912145090 Beijing RENMIN RIBAO in Chinese 16 Dec 90 p 2

[Article by Bo Yibo (5631 0001 3134), originally carried by QIUSHI No 24, 1990: "Raising Product Quality Is an Important Event in Economic Life—Written To Usher in '1991, Year of Quality, Variety, and Economic Results'"]

[Text] Realistically raising product quality and, consequently, economic results is of very great significance to the effort to move further out of the current economic difficulties and to promote a protracted, sustained, stable, and coordinated development of the national economy. The strategy to realize the second phase in our country's development goals by the end of this century was summarized by the 13th CPC National Congress as the following: "Focus on economic results, raise quality, coordinate development, and stabilize growth." Obviously, the demands of these four aspects are closely related to each other as well as complementary. Of the many factors restricting the growth of the national

economy, poor product quality is a widespread and prominent problem. The State Council proposed that a "year of quality, variety, and economic results" be launched nationwide in 1991 in order to boost overall economic quality. This is entirely necessary. We should look at the question of quality and economic results from the overall picture of the national economy, be determined to promote the shift of our economy from quantitative results to qualitative results through economic improvement and rectification and deepening of reforms, and persist in taking the development path of less investment, more production, good quality, low consumption, and high economic results.

In the past year, our economy, especially industrial production, underwent a serious test. For a while, a softening of the market, stockpiling of products, shortage of capital, stagnation of production, and decline in economic results—all these developed to a considerably grave level, which aroused widespread concern. These problems appeared in the course of economic improvement and rectification, but were definitely not its by-products. Rather, they were caused by a lengthily overheated economy, excessive printing of currency to support construction, overemphasis on output value and speed, and neglect of quality and economic results. Once these problems, which have accumulated over the years, came into contact with economic readjustment and retrenchment, they became even more acutely prominent. Undeniably, errors such as excessive retrenchment and inadequate dredging measures occurred in the course of economic improvement and rectification, but they were momentary problems in operations and were quickly corrected upon discovery. At present, the economic improvement and rectification endeavors have borne marked results and have made advances in deepening the reforms. Most of the problems mentioned above have been either eased or improved to varying degrees. Industrial production has begun to move out of its nadir while the national economy continues to develop in a positive direction. This shows the correctness of the party Central Committee's decision on economic improvement and rectification and the deepening of reforms and the basic guidelines which it adopted. Naturally, whether the positive trend which has begun to appear in the growth of the economy can be maintained and developed has still to come under calm observation; enormous efforts have to be exerted to maintain and develop this positive trend. We should note that the task of economic improvement and rectification and of deepening the reforms remains very heavy, that certain deep problems continue to exist in economic life, and that factors hampering a protracted, sustained, stable, and harmonious growth of the economy have not been eliminated.

Looking at the present situation, the problems confronting us remain very serious. The softening market and declining economic results have shown no signs of improvement, and these two factors are directly related to the generally poor quality of products. Many instances

have proved that unreliable product quality and product variety is a major reason for a softening market and declining economic results. According to statistics, the rate of stable rise in product quality of the country's backbone enterprises in the first half of 1990 dropped from 73 percent of the same period last year to 66.7 percent. An estimate based on another survey showed that losses caused by poor product quality amounted to at least 100 billion yuan each year. The general standard of product quality in Shanghai Municipality is relatively high compared to the rest of the country, but it has also been falling for six successive months this year. At any rate, this situation should no longer be tolerated. It is not hard to see that without a considerable amount of high-quality products boasting an adequate market, there can be no genuine and effective stimulation of the market, and consequently, no continuing rise in economic results. It would thus be very difficult for our economy to move out of its dilemma and enter a benign cycle. It would not be possible to boost the general quality of economic growth. Confronted by these difficulties and problems, many comrades, especially the leading comrades in enterprises, are calmly reflecting on how to realistically improve operations and management, do a good job in all fundamental work, and achieve greater results through the deepening of reforms in enterprises with an eye to raising product quality.

Our emphasis on quality and economic results does not mean that quantity and speed may be neglected. It should be noted that most of the countries and regions around us have experienced fairly rapid economic growth in recent years, posing a challenge to us. The strengthening of national might and amelioration of the people's lives dictate that we maintain an adequate rate of development; otherwise, we cannot fully exhibit the superiority of our country's socialist system. The primary issue is that the growth rate we strive for should be realistic. Consequently, it is necessary to put the raising of economic results, foremost of which is the raising of product quality, in a very prominent position.

Poor product quality may be said to be a perennial headache. The causes are multifaceted: There are problems of awareness, management and technology, as well as the problems of economic guiding ideology, system and policy. It is therefore imperative to carry out a comprehensive solution.

A fundamental premise attached to the raising of product quality is the need to foster firmly a high degree of quality consciousness. It should be understood that the raising of product quality is an inherent demand of socialist production, the final objective of which is to satisfy the growing material and cultural needs of all members of society. These growing needs include not only quantitative but qualitative demands; basically speaking, these demands are unified and not contradictory and should be gradually met in the process of achieving sustained economic growth. In the past decade, while the lives of our people have indeed improved, their expectations have also risen. In so far as

the means of production are concerned, the people not only look for more and durable goods, they also want to choose goods for variety, function, price, and design, as well as after-sales service, in order to enrich and facilitate their own lives. It can be noted that despite the current situation of a softening market, demand for many brand-name goods continues to outstrip supply. What is the reason for this? It is primarily because the quality of these commodities is reliable and, as such, the brands are well-known and credible to the customers. The products are thus marketable and generate high economic results. Only high-quality "tough" products can effectively stimulate and reverse the "soft" market. All our enterprises, whether they be engaged in the manufacture of basic necessities or means of production or engaged in the service sector, should continue to raise quality and accept the severe tests of the market in order to render better service to the people, to construction efforts, and to society.

It should also be understood that the raising of product quality conforms with the pressing needs of our four modernizations endeavors. It is often said that modernization of a developing socialist country like ours, with its vast area and big population, cannot for one minute ignore the country's fundamental conditions. Our resources constitute an important feature of these fundamental conditions. While our country boasts rich and abundant resources, our per capita distribution is much, much lower than the world's average per capita level. We should pay full attention to this restrictive condition and cherish as well as rationally exploit our resources. We should also take note of another restrictive condition—insufficient capital. In accordance with the requirements of the four modernizations, we can calculate the amount of electricity and coal needed to achieve a state of relative comfort. However, the question is: Where will the capital needed to develop these resources come from? It goes without saying that this should and can only depend primarily on our own efforts, that is, accumulating and raising capital by increasing production and savings. We have done so in the past few decades and made enormous achievements in our construction endeavors. In an age of reforms and opening up, it is still necessary to persist in and foster this fine tradition of industry and economy, the key to which lies in dependence on technological advances and scientific management and dependence on the ideological consciousness and initiative of the great mass of workers. In so doing, we can, on one hand, make better use of existing natural and economic resources and open up new domains in order to produce more and better-quality commodities; on the other hand, we can also conserve a large amount of human and material labor. According to general estimates, our country's energy consumption per GNP unit is twice that of India and three times that of Japan. Very little improvement has been made to this situation over the last few years. While we have exerted some efforts, there has been no noticeable bridging of the gap. In the first half of this year, the stable declining rate of the energy consumption index of

backbone enterprises dropped from 64.4 percent of the same period last year to 46.7 percent, a sign of retrogression. If we make greater efforts to cut the current high energy consumption volume by half by raising the quality and efficiency of relevant facilities and adopting new technologies, we will be able to produce twice the output value using the same amount of energy. Generally speaking, it is necessary to work more on raising product quality and to devise more conservation methods in order to overcome the shortage of resources and capital. This should be an obligation in the building of socialism with Chinese characteristics.

The raising of product quality is also a demand in this era of opening up and moving out into the world. The development of a planned commodity economy and expansion of international exchanges in trade and science and technology requires that we strengthen our quality consciousness. Opening up to the outside world means that our products have to take a more active part in international market competition. This is a very unique "war." Products, high-quality and low-cost products, and not guns are needed to stake out and expand one's position. The key to an export market lies in the quality of the products. Poor quality means poor competitiveness. Import substitution and acceleration of the pace of local production also demands unrelenting efforts toward improving product quality. Dependence on imports can hardly be a sound long-term plan. Product quality as it is commonly spoken of in the international market does not refer simply to technical features. By definition, high-quality marketable goods generally have three aspects; that is, strong functions, referring primarily to advanced technical properties; strong utilization, referring mainly to utilization, maintenance and warranty services; and strong marketing qualities, referring primarily to prompt delivery and thorough after-sales service. If one of these aspects does not reach the grade, then the product would not be competitive in the international market. It should be admitted that the technical gap between ourselves and the advanced industrial countries is still quite wide. Generally speaking, poor functional property is still a major problem of our export commodities. They are of low grade, low value, and low currency exchange rate. At the same time, it should be noted that the main problem with many commodities is not merely technical functions; delivery and after-sales service leave much to be desired. In other words, a lot can be said on these aspects. Some of our commodities in the international market enjoy more or less the same technical superiority as similar products from other countries, but sales and prices differ vastly mostly because of our failure to deliver goods promptly as well as the absence of after-sales service. Of course, we do have some export commodities which enjoy a certain reputation and have proved durability in the fiercely competitive international market. For instance, an item of under-one-watt electrical machinery manufactured by the Shijiazhuang Electrical Machinery Plant is sold in more than 30 countries and regions. More than 1.5 million pieces have

been exported over the last 15 years, with each piece boasting excellent quality and no complaints received thus far. However, this kind of durable product is more the exception than the rule, with still many other products not marketable at all; and even if they are exported, they cannot occupy prime shelves in big stores and are relegated to secondary racks. This situation is linked not only to economic results but to the reputation of certain enterprises as well. It demands serious reflection on our part.

The raising of product quality should be on the basis of raising awareness, realistically stepping up all aspects of work, and putting quality control at the head of entrepreneurial operations and management. We have been pushing for overall quality control in enterprises for some years now and have achieved quite a lot. At present, some 7,153 enterprises have passed the test, while 110 others have received quality control awards. Meanwhile, 4,486 products have been given the state's high-quality products award. The percentage of high-quality products has reached 20 percent. However, this accomplishment is not enough, and the task of sustaining progress already made will not be easy either. Enterprises which have passed the test or been awarded for quality control, along with products which have been cited, have to strive for further improvement. Otherwise, stagnation will mean retrogression. Some advanced enterprises will also fall behind, while some high-quality products will be gradually eliminated. Therefore, the task of comprehensively stepping up quality control is still a very heavy one. The quality of a product is also the overall reflection of all aspects of work in an enterprise. It may be said that product quality is a mirror of entrepreneurial management. As our enterprises engage in economic improvement and rectification, carry out the contracted management system, and institute all kinds of reform measures, the results or nonresults of all these efforts should be manifested in the quality of the product. If the product quality remains poor or shows a decline, how can the management and reforms be said to be effective? Naturally, external environmental factors should also be considered. External elements are an important factor for change, but generally speaking, the decisive elements lie within the enterprise itself. The internal elements are the main catalyst for change. In view of a sluggish market and increasing pressures, everyone should have been able to use the opportunity to work on quality. Well, does this mean that quality can be boosted in this way? Not necessarily. This year has seen the quality of many products going down instead of up. The question of whether product quality can be raised or not depends on the quality of the enterprise itself, including the basis of its management work, and on the mental attitudes of its cadres and workers. All enterprises, along with their staff and workers, who are unwilling to lag behind and are keen to make a name for themselves, should be genuine towers of strength in the struggle to raise product quality. Wuhan Steel Plant, this giant enterprise with advanced facilities, has in the past 2 years realistically designated product quality as its most important management goal.

On the basis of stronger overall management, it changed the old method of using output value as the main test of proficiency, and instead adopted a series of corresponding measures to raise the quality and technical level of the enterprise to noticeable heights. Its rate of rejects dropped from 1.17 percent to 0.15 percent, while the economic results gained directly from higher product quality amounted to 480 million yuan. This huge enterprise's experience in taking the development path of "qualitative results" should be given full attention and propagated around the country. Fundamentally speaking, whether an enterprise will last or not, either in society or in the market, depends principally on products, which must be of high quality and attractive price. A market can be secured and economic results generated only when there are high-quality goods. In this sense, product quality is the life of an enterprise. The economic improvement and rectification as well as deepening of reforms in an enterprise should be implemented in production as well as in the raising of product quality and of economic results.

In strengthening quality control, great importance should be attached to information. As the conveyor belt connecting production, supply, and marketing, information may be said to be the nerve center in the operations and management of an enterprise. Unreliable information and ignorance cannot produce marketable high-quality products. Given the socialized production integrating planned economy and market mechanism, an enterprise should relentlessly search for and go after information. Concerned government departments should provide good information services to enterprises and pay more attention to the use of information services in guiding the production activities of enterprises. Information can only play its positive role in society to the greatest extent within a mobile, free-flowing environment. In a socialist country where a system of public ownership is the primary feature, it is unreasonable for enterprises to keep information from one another. This practice should be firmly discontinued. Meanwhile, it is also necessary to overcome the bureaucratic style of relegating massive amounts of information to office drawers.

The process of raising product quality is one of integrating advanced technology with scientific management. Satisfactory work requires care and attention to the tools of work. The importance of advanced facilities in ensuring product quality is universally known. In recent years, we have introduced many advanced facilities and testing methods which have played a big role in raising product quality and upgrading productivity. Naturally, advanced facilities and testing methods alone will not create good products; here lies also the question of mastery and absorption of technology. If our technology has not reached the most advanced level, the application of an appropriate middle-range technology can also produce top-quality goods; there have been many instances in this regard. However, this does not mean satisfaction with this level of technology and the neglect

of advanced, high technology. If we are to develop a high degree of social productive forces, we should welcome all new fruits of scientific and technological progress with warm enthusiasm. It should be noted that advances in modern society are built on highly technical, highly efficient mass production. The period from the 1990's up to the next century will be an era of great changes and intense competition characterized by rapid progress in science and technology. Economic growth and higher productivity will depend primarily on the continuing, widespread application of the fruits of scientific and technological advances in production. Neglect of this point is a shortsightedness which will lead to passivity. Any thinking and method which neglects or belittles the application and propagation of new technology is incorrect. All production departments and enterprises should firmly define technological innovation as a more important agenda item, continue to equip themselves with new technology and actively adopt international standards as well as advanced standards from other countries. This is necessary in the path toward raising the quality of enterprises as well as of products.

From the perspective of management, there are many factors affecting product quality, such as the level of facilities, raw materials, operational methods, environmental restraints, and others. Which of these is the most important? I believe it is the quality of the staff and workers. In the end, it is human quality which determines the quality and quantity of a product. Comrade Deng Xiaoping once said: In a very important sense, the quality of a product reflects the quality of a nation. This is a very pointed and profound statement. Advanced facilities have to be operated by people. The raising of product quality has to rely on working people with ideological consciousness, a strong sense of dedication and skills in applying and managing advanced technology. They include management personnel, scientists and technicians, and ordinary workers. It is necessary to firmly and wholeheartedly rely on our working class in order to effectively run our enterprises. This is a vital point which should not be ignored or dismissed but which should be given full attention and emphasis. It is a point which has been determined by the socialist character of our country. Scientists and technicians are members of the working class. Most of them are patriotic and support the socialist cause. They should be encouraged to continue to hone their skills and to make further contribution of all their intellect and talent in the endeavor to catch up with the world's advanced levels in science and technology and make our country prosperous. To improve the quality of staff members and workers, priority should be given to education and training should be carried out. Staff members and workers should be trained in such a way that they will have the spirit of making constant improvements. Technical and professional training should continue to proceed with earnest efforts. Not only should young workers receive training, old workers are also required to study new knowledge. Managerial personnel should understand certain skills.

Product quality is a comprehensive economic standard. Apart from being an important symbol of the technological and managerial levels of enterprises, product quality also serves as a barometer for macroeconomic policy and economic results. The improvement of product quality relies on the correct guidance for macroeconomic policy and the deepening of economic structural reform. Without the encouragement of macropolicy or the improvement of the macroenvironment, enterprises' efforts cannot yield the expected results. Several years ago some errors occurred in macroeconomic policy due to overanxiety for quick results. The contradiction between aggregate demand and supply worsened, market order was in confusion, and many enterprises one-sidedly sought output value. As a result, product quality dropped and even bad-quality and counterfeit products were dumped onto the market, thus causing serious losses to the national economy and people's lives. Following improvement and rectification of the economy, economic relationships are now tending toward coordination, market order is turning for the better, and the external environment for producing better products is improving. These improvements are still far from being adequate and consolidated. We should be aware that there are still ideological roots that may give rise to economic overheating and an impulse for profits. Therefore efforts should be made to prevent the recurrence of a tendency to seek a high growth rate one-sidedly. Practice has time and again suggested that the road is becoming narrower for the pursuit of a high growth rate by means of large-scale expansion and high energy consumption without considering product quality and economic results; nor will this lead anywhere. We must really focus our economic work on improving the industrial structure and product mix, consolidating enterprises' technological progress, optimizing the distribution of resources, and improving enterprises' formation and setups, to provide an excellent macroenvironment for enterprises to improve their product quality and economic results.

In the course of deepening economic structural reform, economic managerial departments and enterprises should explore specific ways for the integration of the planned economy and market regulation, including ways for integration scope, forms, and degrees, while on the other hand setting up a corresponding operational mechanism. Integrating the planned economy with market regulation is a great attempt in building socialism with Chinese characteristics. Efforts should be made to study the role of plans and markets, their functions, how to make them coordinate with and promote each other, and how to correctly handle their relations. In the past, we practiced a highly centralized planning system. People have gradually understood its shortcomings and are overcoming these shortcomings. This is a major achievement in reform. The regulatory role of market mechanism is increasing in economic operations in the course of reform, thereby injecting vitality into economic development. This positive role should continue to be displayed. It is necessary to strengthen the concept of the

market, to study market trends, and to carry out market forecasting to cope with the development of the planned commodity economy. We should actively create conditions for the integration of the strong points of plans and markets, and consciously apply the laws governing planned (proportionate) development and value. Some Western academics and politicians assert that plans cannot be integrated with markets; if they are integrated, this will only be the integration of their weak points. They take whether the planned economy is turned into a market economy as a criterion to judge the failure or success of reform. This is a prejudice, at least. In the course of overcoming the tendency of highly centralized planning, we should prevent another extreme, namely, blind faith in spontaneous market forces, the excessive expansion of the market regulatory scope, and the exclusion of the regulatory role of state plans, because all these deviate from the correct orientation and road of reform. As a matter of fact, even countries with highly developed market economies are, more or less, gradually strengthening their economic intervention to make up for deficiencies resulting from the sole operation of market mechanism. Of course, this is fundamentally different from our integration of the planned economy with market mechanism. It should be affirmed that plans occupy an important and leading position in the socialist economic regulatory system, and it is completely necessary for the state to exercise macrocontrol and guidance over major economic activities in society. For example, government economic departments should have certain power over the supply of important raw materials, product prices, loan arrangements, and profit retention rates. Their correct guidance will produce a major, positive, and even decisive impact on enterprises' production. Of course, we should also be aware that negative influences will occur if the guidance is incorrect. For example, the wrong practice of seeking undue development rates by lowering output and output value will easily make enterprises overlook their product quality and economic results. Government economic departments should actively and cautiously apply regulatory and control methods and fully and appropriately guide enterprises' production and operations by economic levers. In return, enterprises should consciously regularize their production and operations under the regulation, control, and guidance of the macropolicy. At present blind production, duplicate construction, and the problem of carrying out "big and all-embracing" or "small but all-inclusive" operations exist universally in China's industrial enterprises, particularly processing industrial enterprises. This has resulted from multi-headed leadership and the separation of departments from regions. This runs counter to coordination of specialized groups and the large-scale socialization of production and is unfavorable to improving product quality and economic results. The higher authorities and the lower levels should make concerted efforts to change this. At present regional blockades are very serious. Such blockades protect the backward, are splitting the unified socialist market, are detrimental to social and technological progress, and should therefore be resolutely rectified.

Enterprises should break through these restrictions so that they can move into a broad market. Prices have a direct impact on product quality and economic results. We had no alternative but to introduce a double-track price system in the course of price system reform. Now it has come to light that this system has more shortcomings than merits. It has distorted the social accounting standard and provided convenience for racketeers to take advantage of price differences, and for the production and sale of bad quality products, thereby affecting the satisfactory fulfillment of budgetary production tasks. Therefore there should be determination to gradually adjust it.

The guiding role of policies should be brought into play. An important purpose in formulating an economic policy is to encourage enterprises to engage in competition and development under comparatively equal conditions to improve product quality and economic results. We should stabilize, enrich, and adjust our existing policies and reform measures. Our reform for the last 10 years has focused on delegating powers to the lower levels and allowing them more profit retention. Major achievements have been made in this respect, but there are also problems worthy of attention. In the course of improving and rectifying the economy and deepening reform, centralization should be appropriately strengthened along with displaying localities' and enterprises' initiative. Otherwise, it is impossible to form a macro-control and regulatory system which does not hamper macroeconomic activities but can ensure the steady development of the entire economy. This is a task of priority importance. We should understand that under certain conditions, delegating powers to the lower levels and allowing them more profit retention is a kind of reform, but carrying out appropriate centralization is also a kind of reform. We should adapt our minds and work to the already changed situation. Our policy should be oriented to key projects and made conducive to our structural adjustment. The financial system characterized by "preparing meals on separate stoves" should not obstruct or, should I say, should not obstruct too much the fund and material supplies provided under the state industrial policy for key enterprises. The leading role of large state-run enterprises should be brought into play as long as their operations comply with the state industrial policy. The backward should not squeeze out the advanced, inferior products should not squeeze out superior products, and bad economic results should not squeeze out good economic results. Large and medium-sized enterprises under public ownership account for two percent of the country's total number of enterprises, but the profits and taxes they deliver to the state account for two-thirds of the total. They are the backbone of the national economy. In food, construction, running schools, and maintaining the Armed Forces, we rely mainly on the wealth they create. The relations between these enterprises and small enterprises and township enterprises can be vividly described as the relations between stars and the moon, the former surrounding the latter but both adding radiance and beauty to each other.

In the course of supporting and helping small enterprises and township enterprises so that they will healthily develop, we should make more efforts to support and help large and medium-sized enterprises so that through deepening reform, strengthening management, and carrying out effective ideological and political work, they will fully display the socialist initiative and creativity of their staff members and workers, fully tap their potential, constantly improve their operations, introduce new technology, manufacture superior products, produce better economic results, and bring along other enterprises in making greater contributions to the country, people, and society.

Zhu Rongji at Shanghai Securities Exchange Opening

OW1912174990 Beijing XINHUA in English
1514 GMT 19 Dec 90

[Text] Shanghai, December 19 (XINHUA)—The Shanghai Securities Exchange, the first of its kind on the Chinese mainland since the People's Republic was founded in 1949, went into operation today.

When it closed today, at 15:00, a total of 93 transactions had been concluded involving 10.29 million yuan.

More than 500 Chinese and overseas guests attended the opening ceremony.

Addressing the gathering, Zhu Rongji, Shanghai's mayor, said that the opening of the securities exchange showed that China is firmly carrying out the policy of reform and opening to the outside world and the authorities are paying due attention to financial services while boosting the city's economy and developing the Pudong area.

Also at the ceremony, Zhou Zhengqing, deputy governor of the People's Bank of China, disclosed that by the end of this year China is expected to have issued more than 200 billion yuan-worth of negotiable bonds and shares and traded more than 15 billion yuan worth of bonds and shares.

He said that the establishment of the Shanghai Securities Exchange is conducive to the collection of funds for construction, promotion of economic co-operation, readjustment of economic structures, introduction of foreign investment and development of the export-oriented economy. It will also aid the development of socialist stock markets and the deepening of reforms in the financial system.

Quo-wei Lee, chairman of the Hong Kong Stock Exchange and chairman of the Hang Seng Bank Ltd, delivered a congratulatory speech at the ceremony.

On the first day of business the trading of bonds and shares was conducted by computers; the first transaction was concluded within 57 seconds.

Shanghai Securities Transaction Regulations

OW1912114990 Shanghai JIEFANG RIBAO in Chinese
12 Dec 90 p 3

[Regulations Governing Management of Securities Transactions in Shanghai Municipality—promulgated by the Shanghai Municipal People's Government on 27 November 1990]

[Text]

Chapter I General Rules

Article 1. The following regulations are formulated in accordance with the "General Rules of the Civil Law of the PRC," the "Provisional Regulations Governing Bank Management of the PRC," and the stipulations provided by other relevant laws and regulations for the purposes of ensuring the fair and smooth issuance and circulation of securities, protecting the legitimate rights and interests of investors, and promoting national economic development.

Article 2. The issuance, transaction, and all relevant securities business dealings conducted within the administrative region of Shanghai Municipality, with the exception of those that have been stipulated by the laws and regulations of the state, are required to abide by the following regulations.

Article 3. The securities covered by the following regulations refer to:

- (1) Government bonds.
- (2) Financial bonds and debentures.
- (3) Corporate (enterprise) bonds and debentures.
- (4) Company shares or certificate of right to subscribe new shares.
- (5) Beneficiary voucher for investment and trust.
- (6) Other valuable securities that have been approved for issuance to the public.

Article 4. The administrative institution for securities in the municipality is the Shanghai Municipal Branch of the People's Bank of China. The Financial Administration and Management Department of the Shanghai Municipal Branch of the People's Bank of China is in charge of routine duties.

Article 5. Those who issue or buy and sell securities must not commit deception, cheating, swindling, or other deeds that may mislead other people.

Those who violate the regulation mentioned above shall be responsible for compensating the losses incurred by persons who have acquired securities bona fide.

Article 6. The meanings of the terms mentioned in these regulations follow

- (1) Those who issue securities refer to the legal persons who issue or apply to issue securities.

(2) Issue refers to the business activity of raising capital from the public by floating shares and offering the securities on sale to the public.

(3) Underwriting refers to the business activity of securities institutions agreeing to guarantee the purchase of stocks or bonds to be made available to the public for subscription in accordance with underwriting contracts entered into with those who issue securities.

(4) Securities transactions refer to the buying and selling of securities in the stock exchange market or in the stock market for over-the-counter trading.

(5) Stock exchange refers to the legal person who provides a place and facilities as a market for the mass transaction of securities in accordance with the stipulations provided by the regulations mentioned herein.

(6) Negotiable securities refer to the securities whose rules or prospectus for issuance specify that their holders are free to transfer them in the stock market after their issuance.

(7) Buying and selling on one's own refers to securities institutions using their own names and accounts to buy and sell securities.

(8) Agency buying and selling refers to buying and selling of securities by a securities institution that is entrusted by its customers to do so as their agent.

(9) Over-the-counter trading refers to the transaction of securities that have their names put up on the counter of a stock market for trading. Securities that are approved for trading over the counter are called securities that are offered for trading over the counter.

(10) Trading on the market refers to the transaction of securities that have their names put up on the stock exchange market for trading. Securities that are approved for trading on the market are called listed securities.

Chapter II The Issuance of Securities

Article 7. Those who want to issue securities in the municipality must obtain approval from the administrative institution for securities. The issuance of securities is prohibited without approval.

Article 8. Applications for issuing securities must be submitted directly by those who want to issue them to the administrative institution for securities. They may also delegate a securities company or a trust and investment company to submit the application for them. The administrative institution for securities must decide on approval or disapproval within 7 days after receipt of all the application documents for securities issuance. If the application is disapproved, it should explain the reasons for disapproval to the applicant.

The administrative institution for securities may collect 0.01 percent of the total amount of the securities

approved for issuance as a service charge for its examination and approval procedures. However, the total amount of the service charge collected must not exceed 3,000 yuan.

Article 9. Those who apply for issuing securities are required to submit the following documents and information to the administrative institution for securities:

- (1) Application form for issuing securities.
- (2) Articles of incorporation.
- (3) Prospectus for raising capital by floating shares.
- (4) Contract signed with the underwriter that agrees to guarantee the purchase of securities to be made available to the public for subscription.
- (5) Documents showing approval by the relevant management department in case the capital raised is to be invested in fixed assets.

Article 10. In applying for the issuance of shares, a newly established limited liability company, in addition to submitting the documents required by the former article, should provide the following documents and data:

- (1) Documents indicating that relevant departments have approved the establishment or reorganization of a limited liability company.
- (2) Certificates indicating that founders of the company have purchased no less than 30 percent of total shares.
- (3) For a limited liability company reorganized from state-owned enterprises, a confirmation certificate signed and issued by the department in charge of managing state-owned assets, together with an asset assessment certificate issued by an asset assessment organ should be submitted; for a limited liability company reorganized from other enterprises, an asset assessment certificate issued by an accountant office and its registered accountant should be submitted.

Article 11. In applying to issue shares for the purpose of increasing capital, a limited liability company should also submit, in addition to the documents required by Article 9, the following documents and data:

- (1) The resolution adopted by the shareholder meeting on the issuance of shares for the purpose of increasing capital.
- (2) Financial reports for the previous two years and the previous quarter of the current year signed by an accountant office and its registered accountant showing the company is making profits continuously.

Article 12. In applying to issue bonds, an issuer should submit the following documents to the organ in charge of negotiable securities:

- (1) Application forms for issuing bonds.
- (2) The resolution adopted by a company or enterprise on issuing bonds.
- (3) The charter for issuing bonds.

(4) Financial reports for the previous two years and the previous quarter of the current year signed by an accountant office and its registered accountant showing the company or enterprise is making profits continuously.

(5) A certificate indicating the grade of bonds issued by an organ of capital and credit assessment appointed by the organ in charge of negotiable securities.

(6) Contracts signed with organs responsible for selling negotiable securities.

(7) A company or enterprise, in applying for raising capital for the investment of fixed assets, should submit documents approved by the relevant administration.

Article 13. A company or enterprise which issues bonds in the amount of more than 10 million yuan should openly issue its bonds to the public. Before applying for the issuance of bonds, an issuer should file a letter with the organ in charge of negotiable securities indicating the intention to issue. Meanwhile, the issuer should apply with an organ of capital and credit assessment for appraising the grade of bonds. After receiving a certification of A grade or above, the company or enterprise can file an application with the organ in charge of negotiable securities for issuing bonds.

Article 14. The organ in charge of negotiable securities can demand, in accordance with need, an issuer to provide documents and data concerning the issuance of negotiable securities.

Article 15. When an application for the issuance of negotiable bonds is approved, it will become effective immediately and the issuer is not allowed to make any change. If a change is needed, the issuer must stop issuing negotiable bonds or reapply for the issuance of negotiable bonds.

Article 16. A prospectus for soliciting shareholders should carry the following items:

- (1) The name and address of the issuer and his legal representative.
- (2) The capital composition of the issuer and the scope of his business.
- (3) The asset and liability situation and business condition of the issuer in the recent three years (not including the newly established company) as well as the prospect for future development.
- (4) The purpose of issuing shares and the prediction of economic results.
- (5) The kinds of shares, total amount of their issuance, and ways of selling shares and their prices, or kinds and methods of increasing shares.
- (6) The names and addresses of organs responsible for selling shares and the amounts of shares and methods of sale.
- (7) The scope of issuance of shares and the rights and obligations of investors.
- (8) The dates when shares will be issued and cease to be issued.

(9) Other items which need to be explained.

Article 17. The charter for issuing bonds should contain the following items:

- (1) The name and address of the issuer and his legal representative.
- (2) The asset and liability situation and business condition of the issuer in the recent three years (not including the newly established company) as well as the prospect for future development.
- (3) The kinds of bonds, the total amount of issuance, and issuing methods and prices.
- (4) Interest rates of bonds and methods and dates of repaying principal and interest.
- (5) Names and addresses of organs responsible for selling bonds as well as amounts and methods of sales.
- (6) The scope of issuance of bonds and the rights and obligations of their purchasers.
- (7) The dates when bonds will be issued and ceased to be issued.
- (8) Other items which need to be explained.

Article 18. Contracts for selling negotiable securities should contain the following items:

- (1) The names and addresses of the parties to the contracts and their legal representatives.
- (2) The methods of selling negotiable securities.
- (3) The names, quantities, and amounts of negotiable securities and their issue price.
- (4) The dates of issuance of negotiable securities.
- (5) The dates when negotiable securities will be sold and cease to be sold.
- (6) The dates and terms of payment of negotiable securities.
- (7) The calculation of expenses for selling negotiable securities and their dates and terms of payment.
- (8) The methods of returning remaining negotiable securities.
- (9) The responsibility of violating the contract.
- (10) Other items which need to be agreed on.

Article 19. The issuer of negotiable securities should publish the charter for issuing bonds or a prospectus to solicit shareholders in newspapers appointed by the organ in charge of negotiable securities seven days before their issuance.

The issuer of shares should give the above-mentioned prospectus to persons who apply to purchase shares at the time of issuance.

Article 20. Under the regulations, documents and information presented by issuers to the administrative institution for securities and investors must be accurate and complete. No falsifications or omissions of important information are allowed.

Breaching this stipulation, issuers are liable for repaying the losses consequently suffered by those who acquired the securities bona fide. The following units and persons are to assume joint liability with the issuers:

(1) The signatories who attest the authenticity of the whole or part of the content of the documents and information presented.

(2) The agencies which handle the sale of the securities.

(3) Those whose professions entitle them to sign their names to the documents and information presented, including accountants, lawyers, engineers, and economic engineers, and who have done so to attest the authenticity of the whole or part of the content of the documents and information presented.

With the exception of the issuers, however, the aforementioned persons are free of joint liability if they can prove that the falsification or omission of important information in the documents and information presented are done without their knowledge.

Article 21. Unless prescribed otherwise by the state, and with the exception of nonpublicly issued securities, the sale of stocks or the sale of bonds worth more than 10 million yuan shall be handled by brokerage houses. Security companies shall form sales syndicates to handle the sale of securities worth more than 30 million yuan.

Sales institutions may charge commissions or collect price differentials. The administrative institution for securities is to decide commission rates and price difference ratios.

Article 22. The sale of securities includes exclusive sale and sale by proxy.

(1) Exclusive sale of securities includes:

a. Exclusive sale of the full amount of securities—a sales organization guarantees the purchase of all the securities put on sale by an issuer and then resells them to the public.

b. Exclusive sale of a fixed amount of securities—a sales organization guarantees the purchase of a fixed amount of the securities put on sale by an issuer and then resells them to the public.

c. Exclusive sale of unsold securities—a sales organization guarantees the purchase of whatever amount of securities is left unsold.

(2) Sale by proxy of securities means a sales organization acts as an agency to sell securities and, at the end of the sales period, returns the unsold portion to issuers or the exclusive sellers.

Article 23. Issuers and sales organizations may adopt the following ways to sell securities according to the market conditions:

(1) At a moderate price based on the par value or discounted value.

(2) At a premium price higher than the par value or discounted value.

(3) At a reduced price lower than the par value or discounted value.

Stocks shall not be sold at the reduced price.

Article 24. The duration from the date the securities are approved for sale to the date of expiration of the sales period shall not exceed 90 days. Securities that have not been sold within the sales period shall not be offered for sale unless otherwise approved by the administrative institution for securities.

Sales organizations shall submit reports on sales of securities to the administrative institution for securities within 10 days after the expiration of the sales period.

Article 25. The time between the application for issuing new stocks and the issuance of previous stocks shall not be less than one year.

Article 26. Within 90 days after the end of each fiscal year, issuers must submit to the administrative institution for securities accounting reports examined and certified by a public accounting office and its chartered accountant.

Chapter III Transactions of Securities

Article 27. Buying and selling securities by any unit and individual is prohibited outside the securities transaction market approved by the administrative institution for securities.

Article 28. Transactions of securities are limited to spot transactions.

Article 29. No securities shall be offered for over-the-counter trade in the market or for market transactions without approval by the administrative institution for securities.

Article 30. To openly issue exchangeable securities, the issuer shall, within 30 days after the issuance of the securities or prior to the issuance of the securities, submit an over-the-counter-trade application to the administrative institution for securities or apply for approval of market transactions in accordance with Article 32.

Article 31. When submitting the over-the-counter-trade application pursuant to the preceding article, the issuer shall accompany with application with the pertinent documents and materials as required in Article 33. The administrative institution for securities shall decide to approve or disapprove the application with 15 days after the receipt of the application and the pertinent documents and materials. If the application is approved after examination, the administrative institution for securities shall notify securities business organizations to offer the securities for over-the-counter trade after a specifically designated date. If the application is turned down, the administrative institution for securities shall inform the applicant of the reason for disapproval.

Article 32. When applying for approval of market sales of securities pursuant to Article 30, the issuer shall

submit an application for market transactions to a security exchange, which shall, within 10 days after the receipt of the application, submit a letter of opinion to the administrative institution for securities. Within 10 days after the receipt of the letter of opinion, the administrative institution for securities shall decide to approve or disapprove the securities for market transactions and notify the security exchange accordingly.

Article 33. When applying for market transactions, the issuer shall forward to the security exchange a specimen of the security certificate along with three copies each of the following documents:

- (1) Application for market transactions of securities.
- (2) Report on offering securities for sale in the market.
- (3) Certificate from at least one security business organization expressing willingness to help sell the securities.
- (4) Financial reports showing profits for two or more successive years and certified by a public accounting office and its chartered accountant.

Article 34. After the approval of market transactions of securities, the issuer shall make public its report on offering securities for sale in the market and its financial reports showing profits for two or more successive years and certified by a public accounting office and its chartered accountant. These reports shall be put at a designated place for perusal by the public.

Article 35. Rules governing the market transactions of securities shall be formulated by securities exchanges and submitted to the administrative institution for securities for approval.

Article 36. The issuer of stocks approved for over-the-counter trade or for market transactions shall, in the middle of each fiscal year, submit an interim financial report to the administrative institution for securities. The issuer of securities for over-the-counter trade and for market transactions shall, at the end of each fiscal year, submit a year-end financial report certified by a public accounting office and its chartered accountant to the administrative institution for securities and publish that report for the public.

The interim and year-end financial reports shall be submitted within 45 days after the end of the report period.

Article 37. Within 15 days after the occurrence of the following events, the issuer of securities must submit a report on the events to the administrative institutions for securities. If the securities fall into the category of securities for market transactions, the issuer shall send a copy of the report to the securities exchanges.

- (1) Signing of contracts or agreements with others which will have a relatively big influence on the assets or liabilities of the enterprise or on the rights and interests of its stockholders.
- (2) A major change in the line or method of operations.

(3) Decision on a major investment or a relatively long-term investment.

(4) A big debt or loss.

(5) A big loss in the assets of the enterprise.

(6) A major change in the environment for production and operations.

(7) A change in the members of the board of directors or high-level managerial personnel.

(8) A change in the stocks in the hands of stockholders equivalent to five percent or more of the total amount of stocks or a change in the stocks held by the company's high-level managerial personnel.

(9) Involvement in major lawsuits.

(10) Major decisions on such matters as taking over other enterprises or merging with other enterprises.

(11) Liquidation or bankruptcy.

Article 38. For transfer of registered bonds, transactions shall be stopped and the process for transferring the holders' names completed 10 days before the date of payment of principal and interest stipulated in the rules for the issuance of the bonds.

For transfer of registered stocks, transactions shall be stopped and the process for transferring the holders' names completed 10 days before the announced date of payment of interest and dividends and the date additional stocks are to be issued.

In case the process of transferring the holders' names is not completed before the prescribed date, interest and dividends on the stocks, principal, and interest on the bonds, or additional stocks issued shall be given to the original holders whose names are stated on the securities.

Article 39. No unit or individual shall be allowed to commit the following acts in securities transactions:

(1) Buying and selling the same kind of securities by the same unit or individual or through the secret collaboration between two or more units or individuals to create a false impression of the supply and demand or the price of the securities.

(2) Buying and selling securities on the basis of inside information.

(3) Fabricating or spreading false and misleading information to lure others to take part in the transactions.

(4) Continuously buying the same kind of securities to drive up the price or continuously selling the same kind of securities to force down the price for the purpose of manipulating the market.

(5) Buying and selling securities issued by oneself either directly or indirectly on the securities transaction market without permission.

(6) Manipulating the market or disrupting the market order in any other direct or indirect ways.

Article 40. The following personnel are prohibited from buying or selling stocks either directly or indirectly for themselves:

(1) Personnel involved in the management of securities in the administrative institution for securities.

(2) Administrative personnel of securities exchanges.

(3) Personnel of securities business organizations directly concerned with issuance or transactions of stocks.

(4) Personnel of institutions to whom the issuer is administratively subordinate or with whom the issuer has an administrative relationship.

(5) Others who have inside information concerning stock issuance and transactions.

Chapter IV Securities Institutes

Article 41. A securities institute may engage in securities business after applying for and obtaining approval from the administrative institution for securities in accordance with relevant state regulations.

Without such approval, no unit or individual is allowed to engage in the securities business.

Article 42. The scope of business mentioned in the preceding article is as follows:

- (1) Sale of securities.
- (2) Buying and selling securities.
- (3) Buying and selling securities by proxy.
- (4) Securities investment and trust.
- (5) Securities capital.
- (6) Registering and certifying securities, settling accounts and payments, safekeeping securities for clients, serving as their financial agents, and providing securities ownership transfer services;
- (7) Providing consultations on securities issuance and investment.
- (8) Other business related to securities.

Article 43. A securities institute, whether it is exclusively engaged in the securities business or engaged in other business in addition to securities, must conduct its securities operations within the scope authorized.

An institute engaged in securities in addition to other business must carry out its securities operations within the securities operating fund approved by the administrative institution for securities. It is not allowed to transfer money from or increase the fund without authorization. Securities departments in the institute shall practice independent accounting.

Funds raised for securities investment and trust should be kept in a separate account; they should not be mixed with funds owned by the institute. Funds raised for securities investment and trust are sequestered from liabilities of the institute managing the funds.

Article 44. The securities institute is not allowed to accept deposits, extend loans, or lend or borrow securities.

Without authorization, the securities institute is not allowed to use securities which it issues as collateral for mortgages, discounts, and other transactions.

Article 45. The following requirements shall be met in applying for permission to set up a securities institute:

(1) It shall meet the needs for the development of the securities business.

(2) It shall have complete articles of association and the status of a legal person.

(3) It is staffed with personnel capable managing securities business.

(4) It has the capital required by regulations or, in the case of an institute engaged in securities operations in addition to other business, operating funds exclusively for securities operations.

Article 46. In applying for permission to set up a securities institute, the applicant shall present the following documents to the administrative institution for securities:

- (1) An application for setting up a securities institute.
- (2) Articles of association for the securities institute.
- (3) A feasibility report for setting up the securities institute.
- (4) Resumes of the principal responsible persons of the securities institute.
- (5) Other documents the administrative institution for securities deems necessary.

Article 47. The securities institute shall obtain approval from the administrative institution for securities for any of the following:

- (1) When it changes the name of the institute, the address of its location, or names of its principal responsible persons.
- (2) When it changes the amount of its capital or the total amount of operating funds for securities operations.
- (3) When it changes the scope of its security business.
- (4) When it establishes, abolishes, or merges its branches or agencies in the country.
- (5) When it is merged or sold.
- (6) When it terminates its securities business or it is dissolved.
- (7) When there are other major changes.

Article 48. Securities firms must submit a report on their business operations and statements of assets and liabilities and of profit and loss of the year, which are certified by an accounting office and its registered accountant, to the administrative institution for securities no later than 60 days after the end of a fiscal year.

Article 49. Securities firms must retain a transactions risk fund to cover losses caused by accidents in securities transactions and other operations, and to compensate losses incurred by clients through errors by the securities firms or losses in self transactions.

The percentage of the transactions risk fund retained by securities firms shall be decided by the administrative institution for securities.

Article 50. In suspending securities operations or closing and dissolving the organization, securities firms must

conduct liquidation and properly resolve other pending operations in accordance with the relevant state regulations.

Article 51. When conducting securities business, securities firms and their senior managers and other staff members should not engage in the following activities:

- (1) Providing affirmative opinions to clients regarding rising or declining prices of stock.
- (2) Guaranteeing whole or partial responsibilities for assuming possible losses in order to induce clients into securities transactions.
- (3) Illegally taking advantage of the position in transactions to restrict the business operations of a certain client in order to get rid of competitors.
- (4) Other activities detrimental to protecting the interests or fair trading of investors, or to the credit of securities firms.

Article 52. Senior managers or other staff members of securities transactions firms should not divulge information pertaining to securities transactions and other dealings of clients. However, this does not apply to relevant materials and information released to the administrative institution for securities for its periodic inspection or to the law enforcement and judicial organs for their investigations.

Article 53. When buying or selling stock on behalf of clients, securities transactions firms and their staff members should not conduct corresponding transactions for themselves.

Article 54. Reference materials on investment compiled, issued, and released to the public by securities transactions firms should be factual and lawful and should not contain misleading information.

Chapter V Stock Exchange

Article 55. The establishment of stock exchange must be approved by the state administrative institution for securities. The procedures and other relevant matters should be handled according to state regulations.

Without approval, no units or individuals should engage in centralized buying and selling securities at competitive prices similar to transactions in the stock exchange.

A transactions venue which is not a stock exchange should not use a name similar to that of stock exchange.

Article 56. Membership system is instituted in stock exchange. A nonmember is not eligible for buying or selling securities in the stock exchange.

Article 57. The charter of stock exchange should clearly state its purpose; nature; address; public announcements; business scope; qualifications, rights, and duties of members; general meetings of members; governing board; board of auditors; managers; expenditures; distribution; finance; and accounting.

Article 58. The business of the stock exchange is to provide a centralized market and other services for securities transactions. The stock exchange should not engage in other business and investment activities without approval.

Article 59. Membership in the stock exchange is limited to securities transactions firms.

With approval, members may concurrently operate securities self transactions and agent services. However, they must strictly separate the operations from the accounting, and must not mix up the two.

Article 60. Without approval, members are prohibited from selling or buying securities outside the stock exchange.

Article 61. The charter, business regulations, and other management systems of stock exchange shall be formulated by the stock exchange and be enforced after submitting to the administrative institution for securities for approval.

The charter, business regulations, and other management system of stock exchange should reflect the following principles:

- (1) That of fair dealing, honesty, and good faith.
- (2) That of helping prevent fraud and rigging of the market.
- (3) That of promoting timely and accurate release of market information to the public.
- (4) That of facilitating fair and smooth trading of securities.

Article 62. The stock exchange may punish, up to the extent of expelling from its listing, members which violate its charter, transaction rules, and other administrative regulations. Penalties are to be formulated by the stock exchange and enforced after being approved by the administrative institution for securities.

Article 63. The administrative institution for securities has the authority to order the management of the stock exchange to remove its managerial personnel from their duties if they are found to have violated regulations.

Article 64. Stock exchange personnel are forbidden from revealing to others or using for their personal benefit any inside information about securities obtained through their positions.

Article 65. The stock exchange must post at its central exchange market transaction prices and volume of every listed security, as well as the total transaction volume.

Article 66. The stock exchange, under the regulations of the administrative institution for securities, must report to the institution market prices, transaction figures, and securities transactions.

Article 67. The approval of the state administrative institution for securities must be secured for the dissolution of the stock exchange.

Chapter VI Guild of Brokerage Houses

Article 68. The guild of brokerage houses is an administrative organization formed by brokerage houses and is under the guidance of the administrative institution for securities.

Brokerage houses must join the guild as its members.

Article 69. The approval of the administrative institution for securities must be secured for the establishment of the guild of brokerage houses.

Article 70. The charter of the guild of brokerage houses shall specify the purpose and nature of the guild; the qualifications, rights, and obligations of members; its activities, outlays, finances, and accounting.

Article 71. The guild of brokerage houses's activities and rules governing the transactions among brokerage houses shall be defined in line with the regulations of the administrative institution for securities and put in force after being approved by the administrative institution for securities.

Chapter VII Administrative Institution for Securities

Article 72. The administrative institution for securities is to administer, supervise, regulate, and coordinate stock market activity in the municipality.

Article 73. The major functions of the administrative institution for securities are as follows:

(1) Establish and approve rules and regulations concerning security transactions, formulate detailed rules for carrying out pertinent state laws, and interpret and implement these rules and regulations.

(2) Administer and supervise the city's stock market, take reasonable measures and steps to curb and punish illegal activities in security transactions, and maintain normal order in the stock market.

(3) Collect and disseminate information about the stock market and regulate security transactions.

Article 74. The administrative institution for securities are in charge of the following:

(1) Examine and approve issuance and forms of securities, and approve the sale methods and prices of securities.

(2) Examine and approve applications for transaction of securities over-the-counter or on the floor of the stock exchange, decide to suspend or revoke securities from being listed at the stock exchange, and examine and verify issuers' financial statements and account books.

(3) Examine and approve the establishment or closure of brokerage houses, their business scope, financial statements, and annual reports.

(4) Administer brokerage houses, the stock exchange, and the guild of brokerage houses in accordance with the law.

(5) Survey, do statistics of, and analyze the stock market.

(6) Mediate and arbitrate disputes among brokerage houses.

(7) Supervise and administer security transactions and determine their legality.

(8) Investigate and handle illegal activities in security transactions in accordance with the law.

(9) Administer other securities-related activities.

Chapter VIII Penalties

Article 75. If any units or individuals violate the regulations of these rules, the Administrative Department of the Shanghai Branch Office of the People's Bank of China, in addition to ordering them to cease their illegal activities immediately or ordering them to rectify them within a set time in accordance with state laws, regulations, and regulations stipulated in these rules, may mete out the following punishments:

(1) Any units or individuals who violate Articles 7 and 15 and the first item of the Article 24 will be fined at least 50,000 yuan and not more than 100,000 yuan.

(2) Any units or individuals who violate Article 19 will be fined at least 10,000 yuan and not more than 50,000 yuan.

(3) Any units or individuals who violate the first item of Article 20 and Article 54 will be fined at least 50,000 yuan and not more than 100,000 yuan; if the case is serious, a fine of at least 100,000 yuan and not more than 200,000 yuan will be imposed.

(4) Any units or individuals who violate the second item of Article 24, Articles 26, 34, 36, 37, 47, 48, and 66 will be fined at least 5,000 yuan and not more than 10,000 yuan.

(5) Any units or individuals who violate Articles 27 and 29, the second item of Article 41, Article 53, and the second item of Article 55 will be confiscated of the securities, money, and illegal incomes involving in illegal transactions. An additional fine of more than 10,000 yuan and less than 50,000 yuan will be imposed; if the case is serious, a fine of at least 50,000 yuan and not more than 200,000 yuan will be imposed.

(6) Any units or individuals who violate Article 39 will be fined at least 50,000 yuan and not more than 100,000 yuan; if the case is serious, a fine of at least 100,000 yuan and not more than 200,000 yuan will be imposed.

(7) Any units or individuals who violate Article 40 will be fined at least 5,000 yuan and not more than 50,000 yuan.

(8) Any units or individuals who violate the second item of Article 43 and Article 44 will be dealt with in accordance with relevant laws, statutes, regulations of the state.

(9) Any units or individuals who violate Articles 51, 52, and 64 will be fined at least 5,000 yuan and not more than 50,000 yuan.

(10) Any units or individuals who violate Articles 58 and 60 will be fined at least 10,000 yuan and not more than 50,000 yuan.

Article 76. Administrative organs in charge of industrial, commercial, and public security affairs of the municipality should, in accordance with their respective functions and duties, help the administrative institution for securities in the management of securities markets.

Any units or personnel who engage in the illegal reselling of securities will be dealt with by the administrative organ in charge of industrial and commercial affairs in accordance with the "Interim Regulations Governing Administrative Punishment for Engaging in Speculation and Profiteering" and relevant regulations stipulated in these rules.

Any personnel who refuse or hinder working personnel from administrative organs in performing their duties in accordance with the law will be punished by the public security organ in accordance with relevant regulations of the "Regulations of the People's Republic of China Governing Offenses against Public Order."

Article 77. If the administrative institution for securities violates the first item of Article 8 and Articles 31 and 32, they should bear the administrative responsibility. In such a case, compensation should be given to people who suffer economic losses.

Article 78. If the administrative institution for securities or the administrative organ in charge of industrial and commercial affairs of the municipality considers that responsible personnel of any units which have been punished in accordance with the regulations of Articles 75 and 76 should be given administrative punishment, they should turn the case over to the supervision organ or competent administration. If the case is serious and constitutes a criminal act, they should ask judicial organs to investigate the case and assign criminal responsibility.

Article 79. If any units or individuals who plead not guilty to the punishment decision reached by the Administrative Department of the Shanghai Branch Office of the People's Bank of China and the public security and other administrations, they can appeal for reexamination to a higher administrative organ 15 days after being notified of the punishment decision. If they plead not guilty to the decision reached after reexamination, they can file legal proceedings with the people's court in accordance with law.

Chapter IX Supplementary Provisions

Article 80. The Shanghai Branch Office of the People's Bank of China is responsible for the interpretation of these rules.

Article 81. These rules will be in force from 1 December 1990. The "Interim Regulations of Shanghai Municipality Governing the Administration of Bonds Issued by Enterprises" and the "Interim Regulations of Shanghai Municipality Governing the Administration of Shares" promulgated by the Shanghai Municipal People's Government on 23 May 1987 will be abolished simultaneously.

Wang Bingqian Praises Petrochemical Corporation

OW1912133490 Beijing XINHUA Domestic Service
in Chinese 1341 GMT 18 Dec 90

[By reporter Zhang Chaowen (1728 6389 2429)]

[Text] Beijing, 18 Dec (XINHUA)—The China National Petrochemical Corporation, with a total of more than 80 billion yuan in fixed assets, has become China's largest business conglomerate. It earns 16 billion yuan and more in benefits and taxes each year.

At the eighth meeting of the China National Petrochemical Corporation which ended today and which was attended by managers and factory directors, State Councillor Wang Bingqian said: Since the founding of the China National Petrochemical Corporation, many facts have proved that it is a correct policy formulated by the CPC Central Committee and the State Council eight years ago to break the traditional bounds of different trades and regions and establish a corporation transcending barriers between industries and regions to rationally utilize oil and natural gas resources in an effort to increase economic returns. The policy adopted by the State Council six years ago allowing the corporation to push forward reform and opening to the outside world, carry out the contracted responsibility system for input and output, and follow the road of conglomerate management, is also correct.

The China National Petrochemical Corporation was founded in 1983. In 1985, the State Council mapped out a plan for carrying out a six-year contract responsibility system for input and output. According to this plan, over a five-year period, 30 billion yuan will be invested in fixed assets, 90 billion yuan in output will be produced, 74.269 billion yuan in revenue will be turned over to the state, and 6.1 billion yuan will be paid for loans. In the past six years, the corporation has managed to invest 44.2 billion yuan in fixed assets, produced 94.6 billion yuan in output, turned over to the state 77.539 billion yuan in revenue, and paid back 12.607 billion yuan in loans, fulfilling all of its contracted quotas one season ahead of schedule.

At present, the corporation has six branch offices abroad, creating \$200 million in foreign exchange each year. It has 38 extra large and large-scale production

enterprises in China, with more than 800,000 workers and staff members. It has become an important petrochemical conglomerate in the world.

At today's meeting, Wang Bingqian highly praised the corporation for insisting on the socialist enterprises' orientation, assigning priority to state interests, fulfilling state plans, and turning over benefits and taxes to the state on time. He expressed his hope that the corporation will continue to make new contributions to the sustained, stable, and concerted development of the national economy.

Official Comments on 1991 Enterprise Reform

OW2012071790 Beijing Domestic Service
in Mandarin 1600 GMT 16 Dec 90

[Text] According to a XINHUA report, Zhang Yanming, vice minister of the State Commission for Restructuring the Economy, discussed plans for reforming enterprises in 1991 during a recent interview with a XINHUA reporter.

Zhang Yanming said: In 1991 enterprise reform will concentrate on improving the contract managerial responsibility system and the plant director responsibility system, encouraging enterprise mergers, expanding enterprise groups, and exploring ways and mechanisms for promoting technological progress in order to enable enterprises to advance further in readjusting structure and raising efficiency.

He said: Experience proves that the contract managerial responsibility system adopted by China's enterprises is good. In 1991 the majority of the enterprises in China will start their second round of contracts. Therefore, they should strive during this period to perfect the contract managerial responsibility system on the basis of ensuring stability while making minor adjustments. They should pay attention to overall growth, compare their results with those of similar trades, encourage the advanced, inspire the backward to catch up, and promote readjustment of the industrial setup. In setting contract targets, it is necessary to pay attention to efficiency and avoid excessive growth. In selecting, evaluating, and awarding contracts, it is necessary to adhere to the principle of competition and employ the best qualified. Better regulations should be drawn up to determine how much of their profits enterprises may retain for their own use. It is necessary to link income with economic performance. In democratic management, it is necessary to work out better implementation measures in order to protect staff and workers' democratic rights and enhance their sense of being masters of the country.

Zhang Yanming said: In a planned commodity economy, enterprises should gradually establish an operational mechanism by which they can operate independently, will be responsible for their own profits and losses, and can improve and restrict themselves. Enterprise reform will aim at this goal next year.

Water Shortage Affects Production, Grain Output

OW1912131990 Beijing XINHUA in English
1240 GMT 19 Dec 90

[Text] Beijing, December (XINHUA)—In China's rural areas over 50 million people and 30 million head of domestic animals seriously lack water, and for the same reason there is an annual shortfall of ten billion kg in grain output, the "PEOPLE'S DAILY" reported Tuesday.

The discharge of China's rivers ranks sixth in the world, but its per capita fresh water comes only 88th and the distribution of water resources is by no means rational.

In north China's Hebei Province one factory loses more than one million yuan each year because six of its ten wells go dry in the summer, and this affects 200-odd enterprises that rely on its products.

This year, over 40 factories are idle for want of water in Yantai City, in north China's Shandong Province.

More than 200 rivers, nine of the 13 reservoirs, and 2,000 wells dried up in Dalian City, Liaoning Province, last year.

Though the Beijing municipal government has repeatedly called on its citizens to economize on water, there is a shortage of 100,000 tons of water a day in peak seasons. In fact, the families in the upper floors of highrises cannot obtain water until midnight.

The problem exists in some south China regions as well.

In Zhenjiang City, Jiangsu Province, four droughts have hit the local economy over the past two decades.

Even in central China's Hubei Province known as the "province of a thousand lakes", no more than 300 lakes still remain.

According to statistics, urban areas throughout the country have a daily lack of over 20 million tons of water and more than 200 cities have been listed as water-lacking. In 1989 some 94 cities in five provinces suffered a total annual economic loss of 12.7 billion yuan (about 2.5 billion U.S. dollars) because of shortages of water.

The paper attributed the current situation to man-made causes as well as objective ones, yet mainly to the former.

In recent years industrial liquid waste and domestic sewage have totalled over 30 billion tons every year in China, and 80 percent is untreated. As a result, 80 percent of the rivers and lakes and 90 percent of the city water resources in China are polluted to various degrees. The economic loss caused directly by pollution is as much as 30 billion yuan every year.

However, the waste of water is astonishing, the paper noted. In a city it is very common to cool watermelons with tap water for several hours in summer.

An industrial enterprise in Hebei Province fails to reuse 900,000 tons of air-conditioning water and cooling water every year.

In some rural areas farmers use 1,000 tons of water to water 0.08 ha of land every year, double the actual need.

Because people consider water valueless and abundant in China, they don't attach importance to the problem, the paper said. It advised people to be more conscious of the need to save water in the last decade of this century and not let waste hamper the nation's modernization efforts.

Minister Sets Cotton Production Strategy

OW2012072190 Beijing XINHUA Domestic Service
in Chinese 0943 GMT 18 Dec 90

[By reporter Chen Yi (7115 5669)]

[Text] Beijing, 18 Dec (XINHUA)—Minister of Commerce Hu Ping has said that stabilizing cotton-growing areas and increasing per unit area yield with the help of science and technology is an important strategy in China's future efforts to increase cotton production. He made the remark at a meeting today where advanced experience of applying science and technology to cotton production was reported.

The state has set a cotton production target during the "Eighth Five-Year Plan" at 90 to 100 million dan. Hu Ping said: The mission is arduous, and the situation is grim, given the status quo. China has a huge population yet limited land area. Per capita natural resources are scant, and there is fierce competition for land to grow grain and cotton. Therefore, the main solution to increasing cotton production lies in raising the per unit area yield.

The average per unit area yield of cotton in China has increased from a mere 15 kg in the 1950's to more than 50 kg in the 1980's. Recently, the party and the whole country have paid more attention to science and technology. Supply and marketing cooperatives in cotton-growing regions have devoted great efforts to promoting the application of science and technology to cotton production. They have instituted and strengthened various service organizations, trained peasant technologists, and disseminated advanced technology in connection with cotton production. The per unit area yield of cotton in 1989 was 49.2 percent higher than in 1979, with the counties of Tianmen, Dongtai, Qidong, Sheyang, Rudong, Lingxian, Caixian, and Shenxian producing 1 million dan of cotton each.

The Ministry of Commerce has decided that in the future, supply and marketing cooperatives, in their efforts to promote the application of science and technology to cotton production, shall focus on the following three aspects to raise the per unit area yield: First, based on actual conditions, they shall design feasible plans to promote the application of science and technology to

cotton production, and ensure the supplies of organizational assistance, personnel, materials, and technologies; second, they shall carry out education and training of peasants by running peasants' night schools, "crops hospitals," training classes, and technological lectures; and third, they shall promote the dissemination of supplementary technologies.

Vice Minister on China's Agricultural Harvests

OW2012072690 Beijing XINHUA Domestic Service
in Chinese 0911 GMT 19 Dec 90

[By reporter Wang Man (3769 3341)]

[Text] Beijing, 19 Dec (XINHUA)—Vice Agricultural Minister Chen Yaobang said today: China's agricultural and rural situation is very good this year. Following the good harvests in 1989, we again have reaped all-around bumper agricultural harvests this year.

Speaking on behalf of the Ministry of Agriculture at a news briefing held by the China Journalists Association, Chen Yaobang briefed Chinese and foreign reporters on China's agricultural situation in 1990. He said: China again set a new record in grain output this year, with total output expected to exceed 420 million metric tons. The production of cotton, sugar, and oil-bearing crops also will show an increase. Cotton output will reach 4.25 million metric tons, while the output of sugar and oil-bearing crops are expected to increase by 20 percent and more than 10 percent, respectively.

There has been steady growth in the country's nonstaple food production this year, ensuring an ample market supply and stable prices. Livestock breeding shows a stable or slightly increasing trend this year. It is expected that, compared to last year, the supply of pigs will increase by 5.1 million head to 295 million; and that meat production will total 26.7 million metric tons, an increase of 420,000 metric tons. The output of aquatic products is expected to reach 12 million metric tons, an increase of 500,000 metric tons. This year's vegetable production has continued a good development trend.

Town and village enterprises have continued development in the course of improving the economic environment and rectifying the economic order, with total output value and foreign exchange earnings expected to reach 950 billion yuan and \$13 billion, respectively, this year; thus, they will deliver more profits and taxes to the state this year.

Chen Yaobang pointed out: In addition to favorable weather conditions, the all-around bumper agricultural harvests this year were due mainly to the fact that the whole nation attached importance to agriculture and did a great deal of work and made great efforts in support of the development of agriculture. In particular, the party Central Committee and the State Council repeatedly have emphasized the continuation of some basic rural economic policies, such as the output-related system of

contracted responsibility mainly on the basis of household operation. The continuation of those policies has reassured the people and provided an important guarantee for promoting steady agricultural development.

Moreover, various localities across the country have made comprehensive efforts to build farmland and water conservancy projects, develop agriculture with science and technology, increase agricultural investment, unclog the channel of circulation for farm products, and undertake overall agricultural development. Their efforts have laid a good foundation for the all-around good harvests.

More on Chen Yaobang Comments

*OW1912132490 Beijing XINHUA in English
1307 GMT 19 Dec 90*

[Text] Beijing, December 19 (XINHUA)—China has imported over 15 million tons of grain annually in recent years, but at the same time the country has also exported three to four million tons.

Chen Yaobang, vice minister of agriculture, said at a press conference held today that China imports grain for three reasons.

The first reason is for variety adjustment. Chen said that China's wheat production is relatively low, and because of this the country must import wheat to meet the domestic demand.

In addition, the amount of grain imported depends on the annual harvest of a particular grain product. The vice minister said that while China has a balanced supply of rice and maize, it is sometimes necessary for the southern provinces, which rely on the northern maize, to import the product if there is a poor harvest in the north. On the other hand, if southern rice producing provinces suffer from natural disaster China must import rice.

Finally, said Chen, price changes and other factors which effect the international grain market also are factors in China's need to import grain.

East Region

Fujian Province Absorbs Taiwanese Investment

HK1912040390 Hong Kong WEN WEI PO in Chinese
14 Dec 90 p 3

["Dispatch" from Fuzhou by reporter Shen Hung-fei (3088 1347 5481): "Fujian Absorbs \$540 Million of Taiwanese Capital This Year"]

[Text] Fuzhou, 13 Dec (WEN WEI PO)—Taiwan capital is pouring into Fujian Province, which is separated from Taiwan only by a strip of water. The amount of capital influx increased to an unprecedentedly high level in 1990. The investments that Taiwan businessmen have made in Fujian Province so far this year have totaled \$540 million. For the first time, Taiwan investment has exceeded half of the total external funds drawn in by Fujian Province. As Taiwan capital has become Fujian Province's principal source of external funds, Fujian has also become Taiwan businessmen's first choice among other locations for investment in Mainland China.

Wang Beihui, deputy director of Fujian Province's Commission of Foreign Economic Relations and Trade, told this reporter a few days ago that Fujian Province will absorb some \$900 million of external investments by contracts this year, of which Taiwan investments account for over 60 percent. Of the 902 foreign investment projects approved this year, more than 300 are run by Taiwan-funded enterprises. As a result, the number of Taiwan-funded enterprises currently operating in Fujian has increased to over 1,000, accounting for about one-third of all the enterprises run with external funds. The vast majority of Taiwan-funded enterprises have been making profits. They mainly deal in light and textile industry, electronics, foodstuffs, shoemaking, and real estate.

Wang said: Taiwan businessmen's investments in Fujian increased unremittably in 1989 and 1990, and the increase margin has been remarkable. Funds from Taiwan invested in Fujian last year made up about 50 percent of the total funds absorbed by the province from abroad in the same year. And the percentage has further increased to over 60 percent this year. In 1990, the Xiamen Special Economic Zone (which has set up two investment zones, Haicang and Xinglin, to attract Taiwan investments), Quanzhou, and Fujian's capital city Fuzhou (which has specially set up an investment zone for Taiwan businessmen within the existing Fuzhou economic and technological development zone), all situated along the coast, have become favorite spots for Taiwan businessmen to establish plants or to start large-scale land development projects. Meanwhile, the Meizhou Bay development project has attracted many Taiwan investors. The project, which is of quite a large scale, is still under planning, and talks on investments are under way.

Wang pointed out: Although the Taiwan authorities have imposed many restrictions on Taiwan businessmen's

investment operations in the mainland, they have not been able to completely stop this trend. Such restrictions may work when it concerns large-sized enterprises in Taiwan, but will not necessarily stop investment projects in Fujian run by medium and small Taiwan enterprises, especially those jointly run with Hong Kong and foreign investors. What is more, the fact that the recent Gulf crisis has had an unfavorable impact on Taiwan's economy but little influence on Mainland China is also an attraction of Fujian Province to Taiwan businessmen. Anyway, Wang noted, the growth of Taiwan investments in Fujian will probably slow down in 1991 because of restrictions imposed by the Taiwan authorities, the impact of Taiwan's stock market decline on the circulation of funds, and the effect of emerging worldwide economic recession.

Jiangsu Governor Inspects Nantong City

OW1812032190 Nanjing XINHUA RIBAO in Chinese
7 Dec 90 p 1

[Text] While conducting inspection, investigation, and study in Nantong, Governor Chen Huanyou emphasized: It is necessary to draw lessons from experience, further define the guiding thought in economic work, and do a solid job in all fields to ensure sustained, stable, and coordinated economic development during the Eighth Five-Year Plan and for even a longer period to come.

Governor Chen Huanyou, accompanied by Wu Rong of the Nantong City party committee as well as Xu Yan and Xu Xianglin of the city government, inspected some old enterprises, Sino-foreign joint ventures, export-oriented enterprises in the city proper of Nantong, Nantong County, and Rugao County, from 2 to 6 December. He also inspected the economic and technological development zones, harbors, and rural areas. Travelling in an ordinary car accompanied by very few aides, the governor visited workshops and farms on his way and talked cordially with peasants, cadres, and the masses at the grassroots to better understand the situation. During his inspection of the Nantong No. 1 State Cotton Factory and the Tianshenggang Power Plant, he fully affirmed the internal management experience of the two enterprises. While at the Huaneng Nantong Power Plant, he demanded that the newly commissioned enterprise manage the plant strictly and meticulously from the very start and to make sure that its first-class technology and equipment match first-class management. Governor Chen reiterated this point while inspecting the development zone. He said: Management is the foundation and an important link in the investment environment. We must strengthen the management of the development zone and ensure the good performance of the existing three types of partly or wholly foreign-owned enterprises so that they can be examples in our publicity drive for outsiders aimed at attracting more foreign investment. While inspecting the Jianghai Condenser Factory, Governor Chen gave fairly high praise to this enterprise for

distinguishing itself as one of the top electronic enterprises in production scale and economic efficiency in the country through scientific management and the application of advanced technology. He said: The large numbers of the widely diversified village and town enterprises in the province should take the road of transformation, reorganization, and association for an overall upgrading; determine the direction of advance; and strive for a higher level in production technology, management, and economic efficiency. At the Daxing Embroidery Fashion Company Limited in Nantong County, Governor Chen was very delighted to learn that this village-run enterprise group is operating in four provinces and a municipality, and ranks itself among the top enterprises in Nantong City that earn \$10 million in foreign exchange. He said: We should identify products with unique features and, through association, promote them in the international market as leading products. This strategy will be of great significance for the development of village and town enterprises.

While in Nantong, Governor Chen Huanyou heard work briefings from the responsible comrades of the Nantong City party committee and the city government. He affirmed the results achieved by Nantong City in the improvement and rectification drive, in deepening the reform, and in simultaneously developing the socialist material and spiritual civilizations. He said: Nantong City has managed to chart a clearer economic strategy with special emphases. It has appropriately introduced some fairly effective economic measures, and persisted in simultaneously developing the two civilizations. The relatively high spirits of cadres at various levels and the unity and coordination among leading bodies also have contributed to a better performance in all fields. Governor Chen pointed out: We will implement the "Eighth Five-Year" Plan next year. The next 10 years will be crucial for us to undertake the socialist modernization construction and materialize the second stage of the strategic goals. Therefore, while fully affirming the enormous achievements made in reform and opening up to the outside world in the last 11 years, we should seriously summarize experiences and further clarify the concept of economic work; strive to maintain continuity, stability, and coordinated development in the economy at all times; and avoid drastic fluctuations. It also is necessary to rely closely on scientific and technical advancement, as well as on improved economic quality and efficiency to ensure economic growth and sustained development. In addition, we should continue to explore international markets and ensure success in the reform of the economic system. He said: In economic work, we should regard restructuring as a strategic focus for improving economic quality and efficiency, and conscientiously do a good job in this aspect. We should expedite enterprise reorganization and technical transformation, as well as improve economic quality and efficiency. More efforts should be made to strengthen the operation and management of enterprises. It is necessary to pay attention to establishing some advanced models in all professions and trades, whose experiences should be publicized

forcefully to yield fruitful results throughout the city or province. We should continue to strengthen agriculture, which is the foundation of the national economy. At present, it is particularly necessary to do a good job in capital construction of farmland irrigation projects, implement specific measures for developing agriculture through advanced technology, and do a good job in developing the resources with higher standards. The development of the service industry should be given appropriate attention so that it would correspond to the development of agriculture and the manufacturing industry. It is necessary to expedite opening up to the outside world, and sustain and develop the current favorable trend in foreign trade, foreign economic relations, and foreign investment. Open cities and zones should improve the tangible environment for investment, including transportation and telecommunications, while greater efforts should be made to improve work efficiency and the quality of personnel and services so as to provide a better environment to attract more foreign businessmen. We should continue to organically combine the efforts to deepen reforms with the efforts to make readjustments and progress, and follow the central authorities' relevant plan to gradually increase the scope of reform according to actual conditions of the locality.

Governor Chen stressed: At present, we are faced with the heavy tasks of promoting economic development, introducing reform, and opening up to the outside world. There are many difficulties and problems in our work. Leading cadres at various levels should have a sound mentality; maintain and promote the style of working in unity and cooperation, and of waging hard struggle; and lead the broad masses of the people to work with one heart and one mind, so they will make new and greater contributions to developing the "two civilizations."

Jiang Chunyun on Ideological Style Construction

SK2012051790 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 19 Dec 90

[Text] While speaking at the provincial forum on building of the ideology and work style of leading bodies at or above the county level, which ended on the afternoon of 19 December, Jiang Chunyun, secretary of the provincial party committee, stressed the necessity of actually strengthening the building of ideology and work style of leading bodies at all levels with a view to ensuring the successful realization of the great cause of four modernizations.

Jiang Chunyun said: Since the fourth plenary session of the 13th party Central Committee, the CPC Central Committee, with Comrade Jiang Zemin as its nucleus, has repeatedly stressed the necessity of strengthening party building, particularly the building of the ideology and work style of leading bodies at all levels; has placed this work onto the strategic height of upholding the four cardinal principles, persisting in the party's basic line, opposing peaceful evolution, opposing bourgeois liberalization, and ensuring the smooth realization of the great

cause of four modernizations; and has used it to educate and warn the whole party and leading cadres at all levels. What has happened in the past shows that strengthening the building of ideology and work style of leading bodies at all levels under the current situation is of special importance. This is needed in strengthening our belief in socialism and communism, and resisting and defeating the ideological trend of bourgeois liberalization and the scheme of peaceful evolution. This is needed in withstanding the dual trials from the position of ruling the county and from reform and opening-up, in constantly maintaining honesty and upright, in establishing close ties with the masses, and in placing ourselves in an invincible position. This is also needed in shouldering the heavy task of guiding the socialist modernization. Positive and negative experiences tell us that strengthening the ideological and work style of leading bodies is the nucleus content and central link of the building of leading bodies and is the key to making all items of work a success.

Jiang Chunyun stressed: Leading cadres at all levels should conscientiously study Marxist theory in order to improve their accomplishments of this theory. In studying Marxist theory, cadres should pay special attention to studying Marxist philosophy and scientific socialism well, and mastering scientific outlook on world and methodology so as to actually understand and get a good grasp of the major matters concerning theories and the matters of right and wrong. In studying Marxist theory, the purpose lies in application. Leading cadres at all levels should pay attention to integrating theory with practice, should consciously transform the subjective world and the objective world, and should apply the Marxist stand, viewpoints, and methods to study new circumstances, summarize new experiences, and solve new problems in reform and construction so as to improve the work and boost the national economy. Marxist and scientific answers should be given to those much-debated and difficult questions with which the masses are concerned.

Jiang Chunyun stressed: Leading cadres at all levels should stress principles and distinguish right from wrong, and should further enhance the fighting capacity of party organizations. In stressing principles and distinguishing right from wrong, we must have a definite criterion. That is, we should handle various kinds of matters by proceeding from safeguarding the basic interests of the party and the people. In stressing principles and distinguishing right from wrong, we must conduct a positive ideological struggle, and resolutely oppose the vulgar ways of logrolling, not distinguishing right from wrong, and keeping on good terms with everyone at the expense of principle. In stressing principles and distinguishing right from wrong, we must use the correct methods. That is, we should solve the contradictions among the party and the people in line with the formula of unity-criticism and self-criticism-unity, through the method of study, the method of discussion, the method of education, and the method of criticism and self-criticism.

Jiang Chunyun demanded that leading bodies at all levels better persist in the purpose of the party, and strengthen the building of administrative honesty and hard work. He also demanded that leading cadres at all levels should start with themselves and set an example in performing official duties honestly and impartially, in observing discipline and laws, and in opposing corruption and peaceful evolution. Leading cadres at all levels should actually change their work style, and go deep into the grass roots to conduct investigation and study. In particular, they should frequently go to those localities and units, where conditions are relatively poor, problems are relatively numerous, and difficulties are relatively serious, to hear the masses' opinions, to show concern about the weal and woe of the masses, and to help the grass roots and the masses solve practical problems so as to restore and carry forward the party's fine traditions with actual actions.

Jiang Chunyun called on leading bodies at all levels to further strengthen unity. Principal responsible comrades should set an example by being broad minded in tolerance towards others, appointing persons impartially, contacting others sincerely, administering others honestly, and convincing others with the upright conduct of their own. Other comrades should support the work of principal responsible comrades, and safeguard the prestige of heads of leading bodies and the unity of leading bodies.

Jiang Chunyun stressed at conclusion: Leaders at all levels should be determined to grasp the building of ideology and work style of leading bodies, and should make great efforts to frequently grasp this work by regarding it as a major long-term political task so as to actually achieve results.

The provincial forum on building of ideological and work style of leading bodies at or above the county level was held at Jinan's Nanjiao Guesthouse from 17 to 19 December. The forum's participants summarized and exchanged the experience gained by the province in strengthening the building of ideological and work style of leading bodies at or above the county level; and discussed and revised the provisional regulations of the provincial party committee with regard to the work of county, city, and district party committees and the provisional regulations of the provincial party committee with regard to the work of party organizations.

Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, presided over the forum held on the afternoon of 19 December. Attending the forum were Ma Zhongcai and Tan Fude, Standing Committee members of the provincial party committee; and responsible comrades of pertinent organs of the organizational department under the CPC Central Committee.

Shandong Province Holds Planning Conference

SK2012020190 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 17 Dec 90

[Text] The provincial planning conference was held in Jinan on 17 December.

Gao Changli, vice governor of the provincial government, chaired the conference. Vice Governor Li Chunting made a report on the 1991 national economic and social development plan. Vice Governor Ma Shizhong made a speech on the issues concerning financial affairs and tax revenues.

The conference pointed out: The general requirements for the economic work of next year are to continuously implement the principle of improving the economic environment, rectifying the economic order, and deepening reforms; to gradually balance the relationship between various sectors of the economy; to fully mobilize various positive factors; to make efforts to pioneer and invigorate markets; to promote technological progress; to speed up the structural readjustment; to expand the scale of opening the province to the outside world; to increase economic results; to ensure to gradually embark on the orbit of constantly, steadily, and harmoniously developing the national economy; to promote the development of various social undertakings; and to make a good start in the economic construction during the Eighth Five-Year Plan period and for the next 10 years.

The conference introduced that the arrangements for the main planned targets of next year are as follows: The GNP should increase by six to seven percent; the national income, by 5.5 to 6.5 percent; the total industrial output value, by eight to 10 percent; the total agricultural output value, by three to four percent; the scale of investment in fixed assets of localities, by 3.3 billion yuan over the figure in the beginning of 1990; the total value of purchasing export commodities, by 10 to 12 percent; the foreign exchange earnings from exports, by six to 10 percent; local revenues, by four to six percent; the total value of retail sales of commodities, by eight percent; and the total retail price index, by six percent. The enrollment of local ordinary institutions of higher learning and that of secondary specialized schools should maintain the figures of this year. The population natural growth rate should be controlled within 11.5 per thousand.

The conference introduced that the main contents and work priorities of the 1991 national economic and social development plan are as follows:

First, we should continue to vigorously strengthen agriculture's role as the foundation of the national economy, increase agricultural input, vigorously develop farmland water conservancy projects, organize, in a down-to-earth manner, the work of comprehensively developing agriculture, promote agricultural scientific and technological progress, attend to the production and development of

the aid-agriculture industries and the supply of farm capital goods, and realistically protect and develop farmland.

Second, we should strive to maintain a stable increase in industrial and communications production. We should further pioneer and invigorate markets, expand the scale of sales, positively promote the readjustment of the industrial structure, further strengthen enterprise management, and tap the internal potential of enterprises. Enterprises should speed up technological progress and realistically attend to technological transformation. We should continue to carry out the method of giving priority to the development of key enterprises so as to fully display the roles of budgetary enterprises and large and medium-sized enterprises. Next year, we should focus on providing favorable production conditions for 885 key enterprises. We should keep the sound development of town and township enterprises. The total output value of town and township enterprises in 1991 should reach 8.54 billion yuan, an increase of 13 percent. All town and township enterprises should operate in line with the state industrial policies; focus their production on serving urban large and medium-sized enterprises with favorable conditions for development; work in cooperation with scientific research units, universities, and colleges; and serve enterprises engaged in the development of foreign export trade, and export outlets.

Third, we should reasonably arrange the scale of investment, readjust the investment structure, and strengthen the construction of key projects. It is necessary to strengthen the management of capital construction and handle affairs strictly in line with procedures. We should concentrate our energy on the battle to shorten construction periods. We should adopt measures for overcoming the phenomena of spending money unrestrictedly, and work out policies on cutting down investment.

Fourth, we should make efforts to expand the scale of exports to increase foreign exchange earnings and to speed up the pace of opening the province to the outside world.

Fifth, we should strive for striking a balance between revenues and expenditures and vigorously increase the efficiency from use of credit funds. We should continue to persist in the principle of retrenching expenditures, firmly foster the concept of tightening the belts, carry forward the fine tradition of arduous struggle, and persist in the principle of diligently developing all undertakings.

Sixth, we should enliven markets, stabilize goods prices, and make good arrangements for the people's livelihood and employment.

Seventh, we should vigorously strengthen the development of the tertiary industry to promote a harmonious development of the national economy and social undertakings.

Eighth, we should further develop scientific and technological, educational, and social undertakings. We should develop social undertakings with the focus on scientific and technological items. It is necessary to strengthen the construction of new- and high-technology development zones of Weihai, Qingdao, Yantai, Jinan, and Zaozhuang. Next year, we should make greater breakthroughs and noticeable improvement in educational, sports, and family planning work. The cultural, press, publication, and radio and television departments and units should make greater contributions to promoting the construction of socialist spiritual civilization.

Ninth, we should extensively and deeply launch the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures with the main content of fixing the year 1991 as one of quality, varieties, and efficiency.

Tenth, we should positively perfect and deepen reforms to promote the improvement of the economic environment, the rectification of the economic order, and the development of the national economy.

The conference stressed: Next year, we will be confronted with comparatively more contradictions in the economic work and social undertakings. The key to doing a good job in implementing the plans in various spheres and making a good start in carrying out the Eighth Five-Year Plan hinges on realistically strengthening and improving leadership and upgrading the ability in having the overall economic situation in hand. We should foster the thinking of taking the whole country as a whole; and ensure that the interests of the part are consciously submitted to those of the whole. All cities, prefectures, and departments should submit themselves to the unified plans and arrangements of the province; strictly enforce prohibitions and orders; and not act according to their own ways.

1991 Work Planned

SK2012012390 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 18 Dec 90

[Text] At the provincial planning conference, Sun Guangyuan, chairman of the provincial economic commission, pointed out that in the course of launching the campaign of determining the year 1991 as one of quality, variety, and efficiency, the provincial industrial, communications, financial, and trade fronts should strive to steadily increase their growth rate, positively readjust product mixes, expand the commodity marketing scale, focus on increasing economic results, and strive for making the province's major economic targets higher than the national average levels, and continue to stand among the front ranks in the whole country.

Sun Guangyuan said: Next year, the provincial industrial, communications, financial, and trade fronts should regard the pioneering and invigorating of markets as a task of primary importance. Commercial departments should expand the commodity marketing services in the forms of

setting up marketing centers among the grass roots, holding country fairs, setting up stalls, sending goods to the rural areas, setting up purchasing and marketing agencies, and cooperatively purchasing and marketing goods. Meanwhile, we should increase the proportion of investment in commercial centers, and adopt necessary preferential policies to encourage the collectives and individuals to run increasingly more service trades.

Sun Guangyuan stressed: Next year, all enterprises should guide their production in line with market demands to speed up the pace of readjusting product mixes. Enterprises should focus the readjustment of product mixes on upgrading the product quality, improving the varieties of products, and increasing the production of readily marketable products; and focus the orientation of development on using new technologies, equipment, and raw materials to transform existing enterprises.

Sun Guangyuan pointed out: We should regard the improvement of product quality, varieties, and economic efficiency as the main content of the campaign of increasing production, practicing economy, increasing revenues, and reducing expenditures; and realistically organize socialist labor emulation drive. In launching the campaign, the province should attend to the work among some key trades, trades should attend to the work among some special enterprises, and enterprises should attend to their own difficult points. We should compare ourselves with the advanced and find out where we lag behind so as to start an upsurge of emulating, learning from, catching up with, helping, and in turn surpassing each other. We should continue to attend to the work of turning deficits into profits, firmly clear up debts, and speed up the turnover of capital. Next year, we should continue to attend to the production of aid-agriculture products and collect and circulate the funds for purchasing farm and sideline products. The areas principally producing cotton, hogs, peanuts, fruit, silkworm cocoon, tobacco, and vegetables should carry out the method that responsible departments take charge of producing, supplying, marketing, and storing a coordinated process. We should positively support, correctly guide and keep the good trend of the production development of town and township enterprises. We should transform, in a well-planned manner, a group of key town and township enterprises to help them upgrade their product quality; vigorously develop export products; and attend to cultivating skilled persons.

Sun Guangyuan stressed: The fundamental way for achieving next year's industrial, communications, financial, and trade work is to conduct reforms. Enterprises should deepen, coordinate, and perfect the system of responsibility for management on a contracted basis. The work tasks for next year are extremely arduous. The more difficult the circumstances are, the more important the ideological and political work is. We should carefully organize the work in the production and circulation spheres. At present, we should adopt positive measures for grasping the work tasks for the first quarter of next year.

Central-South Region

Guangdong's 'Faster Pace' Economic Plans Viewed

HK1912015990 Hong Kong SOUTH CHINA
MORNING POST in English 19 Dec 90 p 10

[By Chris Yeung]

[Text] Guangdong is to formulate next year's development plans at a provincial planning conference tomorrow, and a senior official said a faster pace of economic growth in the province would benefit the country as a whole.

The vice-director of the province's Economics Committee, Mr Yang Kaimao, told the SOUTH CHINA MORNING POST the province would continue to readjust its economic structure in the next two years to help maintain its vitality.

He indicated that the province would continue to boost the "weak" sectors including electricity and other energy resources, transport and raw materials to help lay down a stronger foundation for economic development.

However, Mr Yang admitted the electricity shortage, estimated at 30 percent, remained an obstacle to the province's development.

Following increased expenditure on electricity supply projects in the past two years, the total shortfall had dropped from 40 percent to 30 percent, he said.

Mr Yang said the total investment on electricity in the next 10 years would reach more than 21.2 billion yuan (HK\$31.65 billion) which covers 12 projects.

"There's no official plan for nuclear power ... although the shortage problem will be eased, it will not be fundamentally solved," he said.

Mr Yang said the problems of the shortage of funds and sluggish market in the past year have been improved considerably beginning this year.

Although economic growth this year had slightly dropped compared with the previous years, he said total industrial output was expected to exceed 10 billion yuan this year.

"Hardship and hope always come together at the same time. It gives impetus to the enterprises to improve its products and management and upgrade information on products," he said.

Mr Yang said the province was aiming at an economic growth of eight percent next year, which was slightly higher than the national target of six percent.

"The country as a whole would benefit if we were allowed to have a faster pace of growth."

Despite challenges from newly-developed areas such as Shanghai's Pudong, Mr Yang maintained Guangdong was still "irreplaceable".

"The coastal development strategy proposed by Deng Xiaoping has been proven a success. There's no reason to abandon it."

Mr Yang added, however, the province would stick to the national policy of seeking "continuous, stable and harmonious" development.

"The lesson we have drawn from the past four decades is that there should not be too many ups and downs," he said.

Mr Yang said the province would target improving efficiency, product quality and continuous capital investment in enterprises next year.

The contract responsibility system would be further developed to boost the enthusiasm of employees, he said.

Shenzhen CPC City Committee Leaders Elected

HK2012032390 Beijing ZHONGGUO XINWEN SHE
in Chinese 1138 GMT 19 Dec 90

[Report by reporter Zhan Moujun (6124 6180 0193): "Shenzhen Elects New Leaders for City CPC Committee, City Discipline Inspection Committee"—ZHONGGUO XINWEN SHE headline]

[Text] Shenzhen, 19 Dec (ZHONGGUO XINWEN SHE)—The new leaders of the Shenzhen City CPC Committee and City Discipline Inspection Committee were elected this morning at the first meetings of the First Shenzhen City CPC Committee and the City Discipline Inspection Committee, respectively.

The secretary of the Shenzhen CPC City Committee is Li Hao [2621 3493], while deputy secretaries are: Zheng Liangyu [6774 5328 3768] and Li Youwei [0632 2589 3634]. The Standing Committee has 11 members: Li Hao, Zheng Liangyu, Li Youwei, Li Haidong [2621 3189 2639], Wang Zhongfu [3769 5883 1318], Lin Zuji [2651 4371 1015], Yang Guanghui [2799 1639 1979], Zhang Zhonglin [1728 0022 2651], Liang Dajun [2733 6671 6874], Li Ronggen [2621 1369 2704], and Chen Deyi [7115 1795 6318].

Meanwhile, Li Haidong was elected chairman of the Shenzhen City CPC Discipline Inspection Committee, while Ying Huashu [5391 5478 2873] and Li Jianting [2621 0494 2185] were named vice chairmen.

Li Hao on Shenzhen's Opening Up Policy

HK1712023790 Beijing ZHONGGUO XINWEN SHE
in Chinese 0516 15 Dec 90

["Shenzhen Will Further Expand Its Opening Up to the Outside World in Terms of Scale"—ZHONGGUO XINWEN SHE Headline]

[Text] Shenzhen. 15 Dec (ZHONGGUO XINWEN SHE)—Today, at the first party congress in Shenzhen, Li Hao, secretary of the party city committee, said that in the 1990's, Shenzhen will make efforts to create conditions for further expanding the scale and depth of opening up to the outside world. At present, great efforts should first be made to develop the two bonded industrial districts in Futian and Shatoujiao, and to develop the market for bonded producer goods.

Li Hao said: A major measure of crucial importance for expanding the scale of opening up is to gradually improve the management of the primary and secondary border lines of the Special Economic Zone so that the special tariff measures formulated by the central authorities can be gradually carried out within the zone. Thus, an economic environment suited to international practice can be created under the socialist system in Shenzhen.

Li Hao said: Only thus can Shenzhen attract more foreign investment and advance technology at a high speed, directly export its products to the international market, promote the development of tertiary industry, and play the Special Economic Zone's role as a "window" for opening up and as an export "base" better. This will also help form closer mutually complementary relations between Shenzhen and Hong Kong, and will promote the common development of these two places. This will also effectively promote the economic and political structural reforms in the zone.

Shenzhen Seeks Full Legislative Powers

HK2012021790 Hong Kong HONGKONG STANDARD
in English 20 Dec 90 p 6

[By Fan Cheuk-wan]

[Text] The First Shenzhen Municipal People's Congress will ask for law-making powers so the city can push through Hong Kong-modelled legislative changes as soon as possible.

The legislative power is crucial to the Shenzhen government's implementation of a three-year legislative plan to speed up economic development of the special economic zone.

Zhang Linghan, the head of the Shenzhen Municipal Bureau of Laws and Institutions, said yesterday the legislative power was of crucial significance of the zone.

"Without legislative power, the investment environment of Shenzhen SEZ [Special Economic Zone] will be adversely affected," Mr Zhang said.

In April last year, the second session of the seventh NPC authorized the National People's Congress Standing Committee to scrutinise and decide on the State Council's proposal to delegate legislative power to Shenzhen congress.

Mr Zhang said a delegation from the law committee under the NPC visited Shenzhen last week to study the economic development and legislative progress of the SEZ.

"The delegation was headed by Professor Jiang Ping, vice-chairman of the Law Committee, and he personally showed support for the proposal," he said.

The Shenzhen Municipal People's Congress will be officially founded this weekend.

The China News Service yesterday said the congress would open on Saturday and study the working report of the government and elect a mayor, vice-mayors and secretary-general.

Mr Zhang said the Bureau of Laws and Institutions had recently drawn up a three-year legislative plan to cope with the needs of the city's economic development.

"According to our three-year legislative plan, 85 Hong Kong-modelled draft laws and regulations are scheduled to be made between 1991 and 1993," he said.

"These laws and regulations will cover such things as property management, stock exchange, company management, bankruptcy, commodity transactions and enterprise shares," he said.

Mr Zhang said the legislative plan would take 20 years if Shenzhen was not given special powers.

"The legislative power would safeguard the interest of the foreign investors and boost their confidence," he said.

The First Shenzhen Municipal Party Congress yesterday re-elected Li Hao party secretary of the city. The result ended widespread rumours that Mr Li would be replaced by Shenzhen mayor Zheng Liangyu.

Henan's Rural Expansion in 7th Plan Noted

HK1912105790 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 17 Dec 90

[Text] During the Seventh Five-Year Plan period, this province's rural economy has continued to develop through deepening reforms, improving the system of contracted responsibilities on the household basis with remuneration linked to output, and relying upon scientific and technological achievements to expedite agricultural technical transformation.

The outputs of staple agricultural products and livestock products have fulfilled or neared the planned quotas. The conditions for agricultural production have been improved to a certain extent and the peasants' livelihood further raised. By the end of 1990, this province's gross rural output value will hit 101.7 billion yuan, increasing by 81 percent over 1985 if calculated in comparable prices and the annual average growth rate amounting to

12.6 percent, 4.6 percent faster than planned, 2.2 percent faster than the same rate for the Sixth Five-Year Plan period.

During the Seventh Five-Year Plan period, of the staple agricultural products including grain, cotton, oil, and tobacco; oil-yielding crops fulfilled the plan one year ahead of schedule and grain and cotton overfulfilled the plan. Tobacco fell somewhat short of the plan as a result of a reduced planting area. Grain production, after three years of zero growth, turned for the better in 1989 and the gross production of both the summer and autumn crops hit an all-time high.

Henan To Further Improve Public Security

HK2012052790 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 17 Dec 90

[Text] The four-day provincial forum on the work of public security organs, the procuratorate, and the judiciary ended in Zhengzhou yesterday.

Provincial party and government leaders, including Lin Yinghai, Zheng Zengmao, Hu Tiyn, Zhang Zhigang, et al, attended the meeting.

After hearing the work reports by various provincial, prefectural, and urban procuratorial, judicial, and public security organizations and by the provincial people's court, Comrade Lin Yinghai and other leading comrades gave speeches.

Lin Yinghai pointed out: Cracking down on criminals harshly and rapidly according to the law is the principle the public security, procuratorial, and judiciary organs must carry out in performing their duties. The provincial party committee has decided to deal a still heavier blow against dangerous criminals between this winter and next spring so as to maintain overall stability; make economic improvement and rectification, deepened reform, and economic construction successful; and defend the people's legitimate rights and interests and personal safety.

The campaign should focus on cracking major cases, ferreting out criminal gangs, taking strong measures against floating bandits, and arresting large criminals. All localities should define their key targets and tactics in line with their actual conditions.

When talking about improving public security in a comprehensive way, Lin Yinghai stressed: We should focus on the following tasks from now on:

1. Achieve fruitful results in bringing under control social order of those areas where criminal cases abound.
2. Earnestly carry out the principle that responsible cadres are duty-bound to maintain public security of the localities under their administration.
3. Further summarize and spread advanced experiences in improving public security in a comprehensive way.

4. Earnestly work out a sound program to regularize, institutionalize, and legalize the work to improve public security in a comprehensive way.

Lin Yinghai also called on all levels of party committees and governments to truly strengthen leadership over the work of public security organs, the procuratorate, and the judiciary to ensure that the party's line, principles, and policies are implemented in the work. At the same time they should help procuratorial, judicial, and public security organizations solve their difficulties and practical problems.

Hubei Antipornographic Work Meeting Reported

HK1712134490 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 15 Dec 90

[Excerpts] On 10-12 December, the provincial CPC Committee and provincial government held in Wuchang a provincial antipornographic work meeting. It relayed the spirit of the national antipornographic work meeting, summed up and exchanged experiences in antipornographic work of the past, studied the present existing problems, made arrangements for various battles to be fought this winter and next spring, and assigned various regular tasks for control over pornography.

Qian Yunlu, Deputy provincial party secretary, attended and addressed the meeting. He fully affirmed our province's achievements in antipornographic work over the past year. He pointed out that the development of antipornographic work in our province is healthy, and that the results are good. The spread of pornographic poison has been effectively curbed, and the entire cultural market has been consolidated. All this has contributed to promoting the building of socialist spiritual civilization in our province. [passage omitted]

Comrade Qian Yunlu continued: Although we have made great achievements in our antipornographic work, there are still some problems. We have lacked a sufficient understanding of the arduous and protracted nature of the antipornographic work. We have not yet made full preparations for the long-term battles. Some localities have not taken the initiative in grasping specific work. All these problems must be conscientiously solved. We must further organize and mobilize the masses to constantly deepen the antipornographic work. On behalf of the provincial CPC Committee and government, Qian Yunlu put forward opinions on the current antipornographic work.

He emphasized: What is most important for us to do is to conscientiously study and comprehend the spirit of the national antipornographic work to further unify the understanding of responsible persons of party committees, governments, and departments at all levels, so they are clear about the guiding ideology for the drive. [passage omitted]

While talking about antipornographic work to be carried out in winter this year and spring next year, Qian Yunlu

said: We must pay attention to the new characteristics of the antipornographic work for this winter and next spring. The activities of those criminal elements involving pornography will become more covert. We must strengthen investigations and studies, so we can really get to know how things stand, make careful preparations, and concentrate our attacks on the main targets. Various localities must grasp their focal points in light of the practical conditions. [passage omitted]

Comrade Qian Yunlu pointed out: To ensure the healthy development of the antipornographic work, we must strengthen our concept on policies, and resolutely implement the relevant antipornographic policies, and the related laws and decrees of the state to deal sure, accurate, and relentless blows to the criminal elements, rescue those who have taken a wrong step and committed mistakes, and educate the majority. In this connection, we must make a clear distinction between those who have committed crimes, and those who have not; between those who are involved in pornographic offenses and those who are not; and between those who are guilty of illegal activities and those who are not. What is most important is to handle cases properly. It must be based on facts, and law must be taken as a yardstick. We must stick to the principle of integrating suppression with leniency. [passage omitted]

In conclusion, Comrade Qian Yunlu stressed: They key to whether we can fight well the antipornographic battles in winter this year and spring next year, and whether we can carry out the antipornographic work in a profound and sustained way lies in whether we can truly strengthen the party leadership. First, party committees and governments at all levels must attach importance to antipornographic work. Main responsible comrades must personally take up the matter, and comrades specifically in charge of the work must truly be conscientious in their work. Second, various relevant departments must attend to their duties and closely cooperate with each other to fight the general war well. Third, we must strengthen the work of the special organs in charge of antipornographic work, and the relevant functional departments.

Comrade Tian Qiyu, member of the provincial CPC Committee Standing Committee, also spoke at the meeting. [passage omitted]

Xiong Qingquan Emphasizes Veteran Cadres' Role

HK1812114890 Changsha Hunan Provincial Service in Mandarin 2300 GMT 15 Dec 90

[Excerpts] At the provincial meeting to exchange experiences in the work concerning veteran cadres, Xiong Qingquan, secretary of the provincial party committee made a speech on 14 December. He stressed: We must strengthen rather than weaken the work concerning veteran cadres based on the social significance of "respecting the elderly" and the nature and objective of

the work. All levels of party committees and governments should do the work properly by enhancing their sense of "respecting the elderly."

The meeting opened in Changsha on 11 December. [passage omitted]

At the meeting, (Lin Jingqi), deputy head of the provincial party committee Veteran Cadre Bureau gave a work report. [words indistinct]

In his speech, Xiong Qingquan called on all levels of party committees to deepen their understanding and strengthen their leadership over the work concerning veteran cadres. Much attention should be paid to bringing into play veteran cadres' political advantages and their role in building material and spiritual civilization. At the same time, he called on old comrades to strengthen study to adapt themselves to the situation brought about by reform, [words indistinct], and maintain their revolutionary integrity in their later years. [passage omitted]

Southwest Region

Liu Zhengwei at Exhibition of Corruption Cases

HK1812123090 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 15 Dec 90

[Excerpts] The national exhibition of procuratorial organs cracking down on and punishing corruption and bribery cases opened in Guiyang yesterday [15 December]. The exhibition will be held at the provincial museum for two weeks.

More than 1,000 persons attended yesterday morning's opening ceremony. They include provincial party, government, and military leaders Liu Zhengwei, Wang Chaowen, Zhang Yuhuan, Miao Chunting, Long Zhiyi, Hu Kehui, (He Renzhong), (Song Chugong), Liang Wanggui, Luo Shangcai, Qiao Xueheng, Mao Tieqiao, Jian Xianai, Wang Yaolun, and (Zhong Liming), responsible persons of the relevant departments, commissions, and bureaus of the province and Guiyang City, representatives of officers and men of the troops stationed in the province, judicial cadres and policemen, and students.

Liu Zhengwei, provincial party secretary; Wang Chaowen, provincial governor; and Zhang Yuhuan, chairman of the provincial people's Standing Committee and head of the leading group responsible for handling and punishing corruption and bribery cases, cut the ribbon at the opening ceremony.

On behalf of the provincial CPC Committee, provincial People's Congress Standing Committee and provincial people's government, Zhang Yuhuan addressed the opening ceremony.

She said: The exhibition of the procuratorial organs of the whole country handing and punishing corruption and bribery cases has been approved by the CPC Central

Committee and held by the Supreme People's Procuratorate. With a large quantity of pictures, data, and material objects, the exhibition demonstrates the tremendous achievements made by procuratorial organs in strictly enforcing law, and handling and punishing corruption, bribery, and other criminal cases. This has again shown that our struggle against corrupted phenomena is a protracted and arduous one. We must attach importance to it. It must be persistently grasped. [passage omitted]

Zhang Yuhuan pointed out: Opposing and cracking down upon corruption and bribery cases is an important part of opposing corrupt phenomena and promoting the building of a clean and honest government administration. We can maintain stability only by promoting a clean and honest government administration. Only thus will our government promise high hopes of success. Therefore, we must persist in grasping things with two hands. With one hand, we grasp reform and opening up. With the other hand, we grasp the work of dealing heavy blows to economic crimes. [passage omitted]

She urged party committees, people's congresses, and governments at all levels to further deepen their understanding and strengthen their leadership and support for the work. In the meantime, procuratorial organs at all levels throughout the province must fully make use of the favorable conditions brought about by the exhibition to continue to firmly grasp the work of handling and punishing corruption and bribery cases. They must devote their efforts to the big and important cases, and win the people's confidence with their practical acts. We must fully encourage the masses to inform against and expose criminal activities. Various departments concerned must closely cooperate with each other, fight in a coordinated way, hold their responsibility, and implement various measures for opposing corruption and bribery cases to create a new situation of opposing corruption under the leadership of the party characterized by using laws as weapons, handling by special organs, and participation of the masses to ensure political, economic, and social stability, and vigorous development of the cause of reform and opening up. [passage omitted]

Tibet Regional Chairman Views Propaganda Work

*OW1412224290 Lhasa Tibet Television Network
in Mandarin 1300 GMT 4 Dec 90*

["Excerpts" of speech by Gyaincain Norbu, chairman of the Tibet Regional People's Government, at a regional mobilization rally attended by cadres at and above independent district level from the "Tibet News" program on 4 December—read by announcer]

[Text] Gyaincain Norbu's speech is divided into six parts:

1. Why is it necessary to hold this mobilization rally? The day of commemorating the 40th anniversary of the signing of the agreement on the methods of the peaceful

liberation of Tibet is an extremely important festive day. The party Central Committee and the State Council have attached great importance to the commemoration and propaganda activities for the important festival day. General Secretary Jiang Zemin pointed out that it would be a tit-for-tat struggle in public opinion and that we must treat the matter in a serious manner. The regional party committee and the regional people's government also pay thorough attention to the commemoration activity, and issued a circular on arrangements for commemorating and publicizing the 40th anniversary of the peaceful liberation of Tibet. The regional party committee is convinced that doing a good job in carrying out activities to commemorate and publicize the 40th anniversary of the peaceful liberation of Tibet is not only the desire and demand of the party Central Committee and the State Council, but also the earnest hope of people of various nationalities throughout the entire autonomous region. It is hoped that after this mobilization rally, various localities and departments will inherit and carry forward the revolutionary spirit of the 40th anniversary of the peaceful liberation of Tibet; develop the Asian Games' spirit of selfless devotion, hard struggle, cooperation in unity and striving to be first rate; and extensively mobilize all cadres, staff members and workers to do a good job in various activities to commemorate and publicize the 40th anniversary of the peaceful liberation of Tibet in a highly efficient and effective manner.

2. It is necessary to fully understand the important meaning of commemorating the 40th anniversary of the peaceful liberation of Tibet. The peaceful liberation of Tibet was a great turning point in the history of Tibet. It has an epochal immediate meaning and profound historical significance. Our ceremonious celebration of the 40th anniversary of the signing of the agreement on the methods of peaceful liberation of Tibet will be conducive to further defending the unification of the motherland, strengthening the unity of people of various nationalities, opposing splittism and retrogression, and promoting the stability of the political situation and social and economic development. It can further raise our national self-respect and self-confidence; kindle the people's great enthusiasm to work with concerted efforts; encourage us to throw ourselves into building a socialist new Tibet; promote patriotic spirit; help us implement the arduous tasks put forward by the fourth regional party congress on one center, two major tasks and three guarantees; and bring about a brand new situation in Tibet's work.

3. It is necessary to give prominence to propaganda and educational work and effectively grasp the present tasks. In unfolding activities to commemorate and publicize the 40th anniversary of the peaceful liberation of Tibet, we should follow the related instructions in document No. 17 issued by the regional party committee and lay stress on carrying out the work at the grass roots level and among the masses in the spirit of being enthusiastic and ceremonious but simple and unadorned. We should turn the activities into self-education for cadres of various nationalities. The commemoration and propaganda

activities are not only the work of propaganda departments, but also a task for various departments and leading cadres at various levels. Only in this way can we increase the effectiveness of propaganda work and use it to lead to other work.

4. It is necessary to conscientiously grasp the key issues in carrying out commemoration and propaganda work. The regional leading group should grasp those key issues that will have an influence on the entire country, as well as the entire region. It is necessary to have a unified leadership and careful planning and effectively implement the work. In particular, we should pay attention to social results and ensure that the propaganda work is sound, beneficial, simple and easily understood, and acceptable to the masses of all nationalities. Regarding those important tasks that require cooperation of various units, we must ensure good coordination and fulfillment according to the schedule and requirements. Departments that assume heavier duties should mobilize in an energetic manner and establish a clear-cut system of personal responsibility for one's post to guarantee the successful accomplishment of those important tasks.

5. It is necessary to seriously grasp propaganda work geared to the outside world. The current activities to commemorate and publicize the 40th anniversary of the peaceful liberation of Tibet are required by the development of the domestic and international situation. For a long time, the reactionary forces abroad and a small handful of splittists have been raising a great fuss about the so-called Tibetan issue in an attempt to split our great motherland, sabotage the political situation of stability and unity of our country, and undermine our efforts to promote socialist modernization. Therefore, we should take full advantage of this favorable opportunity of the 40th anniversary of the peaceful liberation of Tibet to vigorously strengthen our region's propaganda work toward the outside world in the light of the so-called human rights and other fallacies spread by splittists within and outside our country, expose their slanderous activities, smash groundless allegations dished up by those people, explain the true situation to the world, expand Tibet's influence, and foster a correct image of Tibet.

6. It is necessary to effectively strengthen leadership over commemoration and propaganda activities. The autonomous region has established leading groups composed of the highest ranking and second highest ranking leaders of scores of departments for the commemoration and propaganda work. Danzim, deputy secretary of the Tibet Autonomous Regional CPC Committee, will be the head of the leading group. It is hoped that various prefectures, cities and departments will establish appropriate leading groups or offices to take charge of the commemoration and propaganda work and truly consider commemoration and propaganda activities as a main task for this winter and next spring and place the task on their daily agenda. It is necessary to guide and kindle the great enthusiasm of the masses. Leading cadres at various levels should take the lead in studying the work and

personally take part in carrying out the propaganda and educational work. Party, government and Army units should work in coordination and share a common responsibility; unify their thinking, understanding, steps and action; and mobilize all forces to work together and do a good job in various commemoration and propaganda activities.

Gyaincain Norbu Meets Armed Police Force Leaders

*OW1912135590 Lhasa XIZANG RIBAO in Chinese
10 Nov 90 p 1*

[By Dang Yimin (8093 4135 3046)]

[Text] On the evening of 7 November, Gyaincain Norbu, chairman of the Tibet Autonomous Regional Government, met with Wang Zhongyi, deputy chief of staff of the transportation control department of the Chinese People's Armed Police Force; Liu Cixian, leader of the general branch of the First General Group of the Chinese People's Armed Police Force; and Yang Bingru, deputy leader of the First General Group, who had arrived in Tibet for an inspection. Gyaincain Norbu also met with leader Wang Huazeng and Political Commissar Shang Xinmei of the second detachment, which is building the Zhongni [China-Nepal] Highway, at the same time. He affirmed and praised contributions to road construction in Tibet by the transportation department of the Chinese People's Armed Police Force.

At present, the three detachments under the First Transportation General Group of the Chinese People's Armed Police Force are undertaking the tasks of renovating and building the Zhongni Highway, the Chuanzang [Sichuan-Tibet] Highway, and the Nachang [Nagqu-Qamdo] Highway, which are important highways to enter and get out of Tibet. After the units arrived in Qingzang [Qinghai and Tibet] Plateau in the early 1970's, they worked hard in the high mountains and gorges all the year round, displaying the revolutionary spirit of "being especially able to withstand and bear hardships and fight" and thus having performed immortal feats in the Qingzang Highway renovation project.

Deputy Chief of Staff Wang Zhongyi and the leading comrades of the Transportation Bureau of the Tibet Autonomous Region briefed Chairman Gyaincain Norbu on the current situation of the units in Tibet.

Chairman Gyaincain Norbu said: "The transportation units of the Chinese People's Armed Police Force have taken root in the plateau after more than a decade and made very great contributions to transportation in Tibet. They have played an active role in promoting economic prosperity and social stability in the Tibet region. I would like to express my appreciation to them on behalf of the autonomous regional government and the people of Tibet!"

Arms Smuggling Along Yunnan Border Viewed

HK2012045790 Hong Kong MING PAO in Chinese
16 Dec 90 p 22

["Special Article" column by Tsang Sang-tzu (3318 2718 1311): "Arms Smuggling Along Western Yunnan Border"]

[Text] It was midnight; the forests in western Yunnan were thick, the moon above was dim, and the night was deep. Fully loaded with goods, a gang proceeded slowly and quietly on horseback through mountain paths that were covered with long bamboo and banana trees. They were not far from the Sino-Vietnamese border monument. Thirty years ago this place was open to traffic, but after the 1980's when trucks could no longer get through the rugged mountain paths, silent gangs riding on horseback carried the world's most dangerous merchandise—arms and ammunition—along these paths in the mysterious darkness.

In a certain town in southern Yunnan, three curious individual entrepreneurs from Beijing—who were fruit dealers—were led to a low and simple house by some locals in which they saw different kinds of long, short, large, and small guns. Arms deals are made here as if they are dealing in mere merchandise. Today, individual entrepreneurs that have made a fortune want weapons for personal protection against robbery. In this place, a small gun is sold at 1,500 yuan, and all kinds of arms and ammunition including grenades and knives are available at fixed prices.

Through various secret and open channels, arms and ammunition are brought to coastal cities and towns, and eventually smuggled into Hong Kong, Macao, and Taiwan. In recent years, Guangzhou's public security organs have unearthed over 30 cases of arms and ammunition purchases and sales, and detected over 100 guns and over 1,000 bullets; they were all bought on the Yunnan-Guangxi border area, and a number of them are home-made. Arms smuggling on the southwestern border has become the focus for police and criminals.

Relevant departments disclosed that in Yunnan's Jinwenshan [Jinwen shan] and Honghe [Hong he], they confiscated over 4,000 type-60 rocket shells. Last year, Kunming's Railway Public Security Bureau unearthed nine "54-model" guns, 3,500 bullets, 13 grenades, and over 18,000 prohibited knives at railway stations and on trains. Figures for the first half of this year have increased considerably compared with the corresponding period last year. They have unearthed 40 guns, nearly 4,000 bullets, and nearly 8,000 prohibited knives. Taking advantage of weapon losses from when this area was a war zone, gun dealers now purchase uncovered ones at high prices from local residents, and are trying to establish a weapons market on the border.

In this area the hot temperatures cause frequent rainfall; torrents wash down loose sand from steep mountains and landslides often occur. When the Self-Defense War

Against Vietnam ended, numerous weapons were buried in trenches. Day and night, local people spend their time digging up the weapons. The "sequel of war" has brought a fortune to some adventurers and death to others. Underworld members from outside the border area and scoundrels at home are flocking to this place.

A person surnamed Tse from Hong Kong collaborated with several people on the mainland. On six occasions, he bought a total of 30 guns and 190 bullets in Guangzhou. He disassembled them, put them underneath his clothes and in his baggage, and smuggled them out of Guangzhou. A Taiwan underworld group also sent people to Hong Kong and signed an agreement of intention on the purchase of guns with a sales representative of a China-funded company set up in Hong Kong. They then sent \$50,000 to a room in the Beijing Wangfujing Hotel, where they purchased 500 model-77 military guns (which Taiwan's underworld calls *hei xing bo lang ning* [7815 2502 0514 6745 1337]) and 1,500 bullets. They were eventually brought into Taiwan, and the three partners made a large fortune. A Thai drug-trafficking syndicate sent special personnel to Taiwan and asked the gun dealer for purchases. They then went to Beijing and purchased 600 guns and 1,800 bullets, disassembled them, and put them in crates under the disguise of industrial machinery. The guns were transported to Fuzhou and Xiamen. As they were being brought out of China they were discovered, and the relevant criminals were arrested.

North Region

Beijing Court Orders Execution of Repeat Offender

SK1912153990 Beijing BEIJING RIBAO in Chinese
18 Nov 90 p 1

[Text] On 17 November, the Beijing Municipal Intermediate People's Court escorted Zhang Chuncai to the execution ground and shot him dead. Criminal Zhang Chuncai forced women to prostitute themselves, killed a family member of a woman who was forced to prostitute herself, and looted and stole others' property.

Zhang Chuncai, a 30-year-old vagrant, had once been reeducated through labor and sentenced to a fixed term of imprisonment for larceny and intentional injury. On 1 September 1989, Criminal Zhang deceived two young women and took them to Huang Village in Daxing County. He adopted violent means, including battery, to force them to prostitute themselves. He also raped one of them the same evening. Next day, when criminal Zhang attempted to find prostitution clients, these two young women took the opportunity to run away. Criminal Zhang caught them and beat them again. He also robbed a woman of her 50 renminbi yuan. On 4 September, criminal Zhang took them to Daxing County and came across policemen on the way. At that time, the young women took the opportunity and ran away. On the evening of 8 September, a young woman's father arrested criminal Zhang near Dahong Gate of Fengtai District

and tried to send him to the public security organ. Criminal Zhang stabbed him to death with a sharp knife.

In July and August of 1989, criminal Zhang, either by himself or with other hooligans, stole or used knives to loot 1,600 renminbi yuan worth of property on several occasions in Fengtai District's Dahong Gate, Majiabao, and Donggaodi. He also stole a Japanese-made "Yamaha" motorcycle.

The municipal intermediate People's Court maintained that it was less than three years after Criminal Zhang was released from the reeducation-through-labor center that he again violently forced two women to prostitute themselves, killed a woman's family member, and looted and stole people's property. He committed a series of crimes, such as forcing women to prostitute themselves, killing a person, and looting and stealing property, so that he must be punished severely.

Xing Chongzhi Attends Opening of Center

*SK1812143590 Shijiazhuang HEBEI RIBAO
in Chinese 16 Nov 90 p 1*

[By Chen Gencai (7115 2704 2088) and Lu Qingchang (4151 1987 2490): "UNESCO Book and Document Center Established in Handan"]

[Text] The UNESCO Book and Document Center was established in Handan, and an inaugural ceremony was held at Handan University on 15 November. Attending the inaugural ceremony were Yang Haibo, Standing Committee member of the National People's Congress [NPC]; Xing Chongzhi, secretary of the provincial party committee; Wang Zuwu, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; and Jia Xuexian, former secretary general of UNESCO in China.

The UNESCO Book and Document Center, built at Handan University, was approved by the Asia-Pacific Region Liaison Center of Educational Reform to Serve Production Development in 1988. Investment totaled more than 1.6 million yuan, and its floor space of more than 4,000 square meters is capable of accommodating 350,000 books. Its purpose is to store the meeting documents, books, and relevant information presented by UNESCO, and to provide society with information and developments in the education, science, and culture of the world. It will play an important role in international educational, scientific, and cultural exchanges.

Yang Haibo, Standing Committee member of the NPC and president of the National Educational and Vocational Activity Center, said: The UNESCO Book and Document Center is the first of its kind in China for vocational education. It is located in Handan University because the university is the only member of the UNESCO Asia-Pacific Region Liaison Center of Educational Reform to Serve Production Development. Its position and role will be very important, and it will

become a rare "window" for strengthening international educational, scientific, and cultural ties.

Xing Chongzhi, secretary of the provincial party committee, said: The establishment of the UNESCO Book and Document Center has an important significance not only to Handan but to the entire province. We should make the best use of this beachhead to extensively assimilate advanced science and culture from abroad to serve the socialist modernization drive. Using it as an example, we should educate cadres to enhance their concept of reform and opening up on every side; quicken their pace in opening to the outside world, expand capital, technological, and managerial exchanges and cooperation with foreign countries; make a new step in reform and opening up; strive to create a new situation in building the two socialist civilizations.

Hebei Cities Elect New Party Leaders

*SK1912141890 Shijiazhuang HEBEI RIBAO
in Chinese 16 Nov 90 p 1*

[Text] Baoding City held its sixth party congress from 6 to 10 November. At the first plenary session of the sixth committee held on the afternoon of 10 November, Comrade Hou Lei [0186 4320] was elected as secretary, and Comrades Zhou Deman [0719 1795 3341], Hao Zebin [6787 3419 3453], and Wang Guilun [3769 2710 5695] as deputy secretaries of the city party committee. The first plenary session of the city Discipline Inspection Commission elected Comrade Liu Shuxin [0491 2885 2946] as secretary of the commission.

At the first plenary session of the sixth Zhangjiakou City CPC Committee, which concluded on 9 November, Comrade Tian Zhentian [3944 7201 3944] was elected as secretary, and Comrades Du Shuxiang [2629 2579 4630], Liu Jiansheng [0491 0256 3932], and Li Bengong [2621 2609 0501] as deputy secretaries of the Zhangjiakou City CPC Committee. At the first plenary session of the Zhangjiakou City CPC Discipline Inspection Commission, Comrade Zhang Maolan [1728 2021 5695] was elected as secretary of the commission.

Communications Equipment Destroyer Arrested

*SK1912072290 Hohhot Inner Mongolia Regional
Service in Mandarin 1100 GMT 18 Dec 90*

[Text] On 30 November, the public security section of the Jungar Coal Industrial Company and the public security sub-bureau of the Jungar mining area jointly cracked a case concerning serious damage to communications facilities. Criminal Li Genwan was arrested and brought to justice.

Bearing resentment against the organizational department that transferred him to another post, on nine occasions criminal Li Genwan sabotaged the coaxial cable of the television transmitters and relay station of the Jungar Coal Industrial Company through the means of (?removing nails), [words indistinct], and wrongly

connecting the mains. This stopped the first set of programs of the Central Television Station and the second set of programs of the Inner Mongolia Television Station for more than 100 hours, and caused more than 7,400 yuan in direct economic losses.

After this happened, the vast number of cadres and policemen of the Jungar Coal Industrial Company conducted a thorough and painstaking investigation of this case, and cracked it in merely 14 days. At the moment, this case is in the trial stage.

Wang Qun, Others Watch Modern Drama

SK2012053990 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 19 Dec 90

[Text] At the invitation of the State Education Commission and the Ministry of Culture, a modern drama "The Heart of China" which was created and performed by the Inner Mongolia Beijing Opera Troupe will be staged in Beijing on 28-30 December. On the evening of 19 December, this drama was staged at Wulanqiate in Hohhot before leaving for Beijing.

The drama "The Heart of China" was based on the deeds of Wu Yun, a national 8 March red-banner bearer and a high-grade teacher in Hure Banner. It was highly appraised by people from various circles after being staged in the regional capital. After that, the Inner Mongolia Beijing Opera Troupe made some revisions and improvements on the basis of the original play.

Regional leaders including Wang Qun, Bu He, Liu Yunshan, Chen Kuiyuan and Wuyunqimuge, watched the performance and mounted the stage to meet with all performers after the performance. During the meeting, Wang Qun and Bu He said: The substance of this drama is good and its ideological content is also rich. The design and music for the voices in the drama are much improved compared with the original play. The ranks of performers are in good order. But in terms of art, they still need polish. They should hear more opinions from various quarters and improve themselves in the course of performance.

People's Congress Standing Committee Ends

SK2012045890 Tianjin City Service in Mandarin 2300 GMT 19 Dec 90

[Text] The 22d Standing Committee meeting of the municipal People's Congress ended on 19 December. The meeting adopted the Tianjin Municipal regulations on workers' education, discussed the municipal government's motion on changing the 1990 municipal financial revenue budget, and adopted a resolution of the municipal People's Congress Standing Committee on approving the change of the 1990 Tianjin Municipal financial revenue budget. The meeting also heard a report given by (Wu Jixiang), chairman of the municipal Economic Commission, on behalf of the municipal government, on Tianjin Municipality's industrial product

quality. Members of the municipal People's Congress Standing Committee were satisfied with this report and fully regarded it as positive. They also hoped that the municipal government would place quality in the first place of economic work during next year's quality, variety and efficiency campaign, implement the policies and measures for raising the municipality's industrial product quality, and improve the product quality.

Wu Zhen, chairman of the municipal People's Congress Standing Committee, addressed the meeting. He said: The quality of industrial products has a bearing on the rise and fall of budding industries. At present, the market has set higher demands on product quality. So, we should also relatively raise the standard quality of products. It is necessary to strictly punish some enterprises which have produced many substandard products and created great losses to the state and enterprises and to establish the responsibility of their leaders at a higher level. In the future, the municipal people's Congress Standing Committee will give supervision to deal with this kind of problem.

The meeting also discussed and adopted personnel appointments and removals.

Northeast Region

Heilongjiang Rural Work Conference Opens

SK2012021690 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 19 Dec 90

[Text] The provincial rural work conference opened at Harbin's Beifang Building today. Provincial Governor Shao Qihui spoke at the conference to make arrangements for agriculture and rural work for next year and for the future. Attending were Sun Weiben, Wang Luming, Wang Zhao, Zhou Wenhua, Wang Haiyan, Chen Yunlin, Ma Chunwa, Ma Guoliang, Xie Yong, Meng Qingxiang, Shan Rongfan, He Shoulun, Wang Yusheng, Dai Moan, and Sun Kuiwen.

In his speech, Provincial Governor Shao Qihui first summarized the tremendous achievements in agricultural production that our province had scored this year. He said: This year, our province achieved new growth in agriculture. The total output of grain, soybeans, and tubers reached 23.125 billion kg, showing an increase of 30 percent over 1986, which saw an all-time record. Characteristics of this year's grain production were that growth was registered in all localities of the province in an even manner, and that bumper harvests were reaped in various crops. The output value of animal husbandry came to 2.1 billion yuan, an increase of 11.5 percent over last year. The production of cash crops, forestry, fishery, and other diverse undertakings also showed notable growth. Despite difficulties, township enterprises managed to stabilize and increase their production, and their output value may reach 14.9 billion yuan, a 7.8-percent increase over last year. The province's agricultural

output value is estimated at 13.5 billion yuan, a 17.4-percent increase over last year. Peasants' income may exceed 600 yuan per capita. Bumper harvests brought joy to rural cadres and the masses, and further boosted their enthusiasm for developing production. This year's extraordinary bumper harvest in agriculture, generally speaking, can be attributed to both subjective and objective conditions—the good policies, the hard work of the people, and nature's benevolence. To tell the truth, people showed great progress in their subjective hard work. Their great efforts laid a good foundation for the bumper harvest. This plus nature's benevolence enabled our harvest to exceed our expectations. When summarizing the work of the past year, we should fully affirm and resolutely carry out the methods and experiences adopted and gained by various levels in leading agriculture. They included the endeavors to strengthen the position of agriculture as the foundation, to stabilize the various rural policies, to give prominence to development of agriculture through science and technology, to notably increase the investments in various areas of agriculture, to improve the conditions for agricultural production, and to attach importance to helping the poor in poverty-stricken areas.

In his speech, Provincial Governor Shao Qihui put forward the guiding thoughts for our province's future agricultural development. He said: The provincial party committee and government hold that the guiding thoughts are to further implement the strategic principle of integrating grain production, animal husbandry, and township enterprise development to lead the coordinated development of other undertakings, to continue to strengthen the position of agriculture as the foundation, to comprehensively develop the rural economy, and to be persistent in the principle of stabilizing grain production, expanding animal husbandry, greatly developing township enterprises, successfully developing and utilizing agricultural resources, enhancing our comprehensive agricultural production capacity, and improving the overall efficiency of the rural economy. In grain production, the goal for some time to come is to stabilize the output at 20 billion kg. We should formulate, at an early date, the plans and policy measures for facilitating the rapid development of animal husbandry, and quicken our pace in developing animal husbandry into an independent production parallel to grain production. Our province has great potential for developing township enterprises. Party committees and governments at various levels should further unify and enhance their understanding of the important strategic position and role of township enterprise development, and have a stronger sense of urgency and responsibility. They should regard township enterprise development as the strategic focus and a very pressing task of their economic work for the next five or 10 years, and even a longer period of time, always pay close attention to it, and maintain a fairly high growth rate in the production of township enterprises in line with the actual conditions of our province.

Attending the conference were party secretaries, commissioners, and mayors of the prefectures and cities

throughout the province, responsible comrades of the pertinent departments directly under the province, responsible persons of military subdistricts, directors of the administrations under the General State Farm Bureau and the General Lumber Industry Bureau, party secretaries and magistrates of counties, directors of agricultural commissions, responsible comrades of the colleges and universities related to agriculture, and some agricultural experts and scholars.

Governor Speaks

SK2012060390 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 19 Dec 90

[Text] At today's provincial rural work conference, Provincial Governor Shao Qihui spoke on integrating urban and rural economies, and leading the rural economy to develop along the direction of coordinating agriculture, the processing industry and foreign trade. He said: Since reform started, peasants and grass-roots cadres have greatly enhanced their concept of the commodity economy following the introduction of the market mechanism in rural areas, and their enthusiasm for developing and organizing commodity production has soared to an unprecedented high. In the process of turning self-supporting or semi-self-supporting production into a large-scale commodity economy, however, a great extent of the production of peasants is ill-considered, which fails to suit market changes, and often leads to losses or obstructions. For example, the rabbit, mink, and goose raising craze that once appeared incurred economic losses to some peasants. Another example is that we often regard soybeans, beets, flax, potatoes, and berries as the exceptional advantages of resources of our province, but these advantages still stay in a stage of raw material production, and we produce few finely processed products from these resources, and are economically inefficient. These phenomena expose a deep-seated contradiction in the rural economic development, namely, the barrier between the economies of the urban and rural areas, and the incoordination among production, processing and distribution. As was learned during our observation activities in Shandong, Zhucheng City successfully solved this problem, and blazed a trail of coordinating agriculture, the processing industry and foreign trade. That is, all the agricultural, industrial, commercial and foreign trade units throughout the city carried out their work in a coordinated manner. Their basic method was guided by the international and domestic markets, based on the businesses of thousands of families, and through socialized services and incentives of interest, to turn the agricultural, industrial, commercial and foreign trade units into a community of economic interest of which members share risks and interests equally, and are mutually beneficial. Some localities of our province have also conducted some helpful explorations in this respect. For instance, the Laixi County Flax Mill took the initiative in regarding agriculture as the first workshop of its production, and

provided good quality services to peasants in the supplies of good seeds, funds and technology, and in purchasing work. This enabled the county to rank among the best in flax production in the province for many years. In Harbin City, Hulan, Zhaodong, and the Qixing Farm, meat chicken production associations led by processing and refrigeration enterprises and based on the family-based production of peasants, emerged. The processing enterprises provided fine breeding chickens, feed, and disease prevention and treatment, and other technical guidance to peasant households, and chickens were raised by households separately but processed, stored and sold in a unified manner. In this way, most of their products were exported to earn foreign exchange. These successful experiences gave us the enlightenment that only when the past defect of setting barriers between urban and rural areas, and between different departments and trades is overcome, and the coordination of agriculture, the processing industry and foreign trade is persisted in, can we effectively promote the development of the commodity economy in rural areas, and improve the economic efficiency of industrial and commercial enterprises. What the natural economy pursues is the reproduction of products, and the production process ends when products are produced. What the commodity economy pursues is the reproduction of value, and the more additional value the final products have, the more advantageous production will be. Therefore, it is very natural that we should regard the processing of farm and sideline products as the extension of the process of agricultural production. Otherwise, farm products can neither be sold at good prices nor enter the modern market. The agriculture that provides primary products is incomplete agriculture, and agriculture without bright prospects. The development of the commodity economy urges all the more that under the situation of opening up, we unify planting and breeding industries with the processing industry, the process of production with the process of distribution, and the development of urban areas with the development of rural areas, and integrate urban and rural economies, and coordinate agriculture, the processing industry and foreign trade. In the next year and in several years following, while making a success of the service provided to peasants by economic organizations of society, and the service provided by peasants themselves, we should guide our province's rural economy gradually to the direction of coordinating agriculture, the processing industry and foreign trade.

Sun Meets Shandong Group

SK1912071190 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 18 Dec 90

[Text] Sun Weiben, secretary of the provincial party committee; Shao Qihui, provincial governor; and Sun Kuiwen, provincial vice governor; met with the eight-member economic report group from Shandong Province led by (Chen Yanming), secretary of the Zhucheng City party committee, at Harbin's Beifang Building on the evening of 18 December. The report group was

invited to give reports on the experiences in the coordinated efforts in developing the commodity economy in rural areas and the coordination among agriculture, processing industry, and foreign trade at our provincial rural work conference, which will open on 19 December.

Heilongjiang State Farm Work Conference Concludes

SK2012002190 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 18 Dec 90

[Text] The provincial State Farm Work Conference held by the provincial party committee and government concluded successfully today after a five-day session. Attending the conference were principal responsible comrades of the provincial party committee, Advisory Commission, People's Congress, government, committee of the Chinese People's Political Consultative Conference, and Discipline Inspection Commission, as well as responsible comrades of pertinent departments and bureaus directly under the province.

The conference analyzed the work of the state farms of the province carried out during the Seventh Five-Year Plan period, especially this year, arranged the work tasks for the state farms for 1991, and particularly discussed construction of a 5 billion-kg commodity grain base area.

The following was emphasized at the conference: The provincial party committee called for the spirit of the Great Northern Wilderness, urged efforts to learn from the spirit of arduous struggle and self-reliance, the spirit of selfless devotion and taking the public interests into account, and the spirit of combating nature and brave pioneering. It is the continuation of the spirit of the Nanniwan in the new historical period, and the development of the traditional virtue of the Chinese nation in the socialist conditions. People throughout the province should intensively study the spirit of the Great Northern Wilderness, and further carry it forward.

The conference emphasized that in the future, any reform measures conducive to the development of the productive forces in the state farms should be persisted in and improved continuously. The focus of this work is to keep four aspects of work unchanged. First, the multiform output-related contract responsibility system with family-based farms as the major form should be kept unchanged. Second, the enterprise director or manager-responsibility system should be kept unchanged. The contract system applied to industry, commerce, transportation, construction, and service trade should be kept unchanged. Fourth, the policy of developing various sectors of the economy while making public ownership predominant should be kept unchanged.

It was decided at the conference that beginning in 1991, state farms should make investments and carry out construction for five to seven years to bring its grain and soybean output up to 7.15 billion kg, and provide 5.4 billion kg of commodity grain by the end of this century. The construction project will include transformation of low- and medium-yielding farmland, development of

wasteland, water conservancy works, improvement of paddy fields, sprinkling irrigation works, improvement of scientific and technological conditions, and training of personnel. The investment is planned at 4.08 billion yuan. After the project is completed, a net profit of 500 million yuan will be created every year, and all the investment can be recovered eight years after it is put into operation. The project has been included in the state's Eighth Five-Year Plan.

The conference urged the various departments of the provincial government, and pertinent prefectures, cities and counties to coordinate with the state farms in the construction of the 5 billion-kg commodity grain base area, vigorously render support, assistance and service to the state farms to provide a good external environment to them.

Sun Weiben Attends

SK1612135490 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 14 Dec 90

[Text] At the provincial state farm work conference that was held in Jiamusi City on 14 December, Sun Weiben, secretary of the provincial party committee, said that the vast number of cadres and staff and workers in the state farms across the province should continue to carry forward the Great-Northern-Wilderness spirit of making selfless contributions and bravely doing pioneering work so as to make new contributions to building the state farms into a base for producing 5-billion-kg of commodity grain.

Comrade Sun Weiben pointed out: Over the past 40 years, the state farms across the province have constantly persisted in the orientation of developing socialist modernized agriculture on a large scale and have positively and steadily promoted reform work in various spheres. So far, the state farms have become a social economic zone where government administration, enterprises, and supply and marketing cooperatives are combined; industry, agriculture, trade, education, and military affairs are integrated; and agriculture, forestry, animal husbandry, sideline occupations, and fishery are developed in a comprehensive manner; as well as being an important component part of the national economy. The state farms, accounting for one-fourth of the province's farmland, have produced one-third of the total grain for many years. Their foreign export trade volume accounts for 18 percent of the province's total. They have displayed an experimental and guiding role in developing socialist modernized agriculture and the export-oriented agriculture. The state decided that building the state farms into a base for production of 5-billion-kg commodity grain is listed as a key item covered in the Eighth Five-Year Plan and the 10-year tentative plan, and it urged that starting in 1998, the state farms should hand over 5 billion kg of commodity grain to the state every year. This is a great matter of economic development that focuses the people's attention.

Comrade Sun Weiben pointed out: To realize the historical transition of the state farms' development from the range of production to the quality of production, we should carry forward the Great-Northern-Wilderness spirit. That is, we should carry forward the spirit of arduous struggle and self-reliance, the spirit of making selfless sacrifice and taking the overall situation into account, and the spirit of fighting heaven and earth to do pioneering work.

At the conference, Governor Shao Qihui also set forth several suggestions on the construction of the base.

He pointed out: The construction of the base is a glorious mission entrusted to the state farms by history. Thus, the state farms should take this opportunity to readjust the production structure and make overall development. All departments under the provincial government and relevant cities and counties should work in cooperation with the state farms and make concerted efforts to build the state farms into a general base for developing socialist modernized agriculture on a large scale.

Farm Reform Discussed

OW1812131990 Beijing XINHUA Domestic Service in Chinese 0454 GMT 17 Dec 90

[By XINHUA reporter Wang Laixi (3769 0171 0823)]

[Text] Harbin, 17 Dec (XINHUA)—Addressing the recent provincial conference on agricultural reclamation, Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, urged state farms to continue to stabilize and follow through with four systems during the course of reform.

With its 29.1 million mu of cultivated land and 102 state farms, the Heilongjiang reclamation area has the nation's largest state farm groups, and its agricultural output is a record high this year. On the basis of last year's increase of 1 billion kg, the total grain and bean output increased yet another 1 billion kg to hit a record 4.5 billion kg. In his speech, Sun Weiben highly acclaimed the reclamation area's outstanding contributions to the construction of state-level commodity grain production bases. He said: The reclamation area will start building more bases next year to increase the output of commodity grain to 5 billion kg, and the reclamation area will encounter many restrictions and problems in achieving this new economic endeavor. To solve the problems once and for all, we must continue to stabilize our reform measures and strive for thoroughness. First of all, this means that the continuity and stability of reform policies for the reclamation area must be maintained and not changed frequently like "flipping over pancakes." All reform measures that are conducive to developing the reclamation area's productivity must be upheld. The key requirement is to maintain these four systems: The system governing all forms of output-based contracts, especially contracts governing family farms; the system governing the responsibilities of farm (factory) directors and managers; the system governing the

contractual responsibilities of industrial, commercial, transportation, and construction corporations; and the system governing the development of all economic elements, with public ownership remaining dominant.

Sun Weiben Hears Planning Conference Report

*SK2012080290 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 19 Dec 90*

[Text] Sun Weiben, Shao Qihui, and other leading comrades today heard a report on the ongoing provincial planning conference. They pointed out: In formulating and implementing next year's plans, we should attach importance to the activities of the quality, variety, and efficiency year to be launched next year, and carry them out successfully. We should make new breakthroughs in developing township enterprises, the collective and individual economies, Chinese-foreign joint ventures and cooperative enterprises, and exclusively foreign-funded enterprises. We should organize well the coordinated development of the commodity economy throughout the province, and facilitate sustained, stable and coordinated development in the economy of the province.

Comrades Sun Weiben, Shao Qihui, Wang Zhao, and He Shoulun spoke at the report meeting. They pointed out: In face of difficulties, we should all the more uplift our spirit to advance. The market sluggishness we often talk about is, in essence, the reflection of the product quality which fails to reach standards, and the product variety which fails to meet needs. Therefore, to improve economic efficiency, we should put more effort into quality and variety. We should eliminate our ideological misgivings about implementation of the 50 policies, achieve success in coordinating production with marketing and in increasing the variety of industrial goods, increase the proportion of the various sectors of the economy in the entire economy of the province, and make concerted efforts to fulfill or overfulfill next year's plans for economic construction.

Provincial party and government leaders, including Wang Luming, Wang Haiyan, He Shoulun, Chen Yunlin, and Tian Fengshan, were present to hear the report. Also present were principal leaders of the 14 prefectures and cities of the province, and the four cities with independent economic decision-making authorities.

Heilongjiang Meeting on Leading Bodies Concludes

*SK2012003790 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 18 Dec 90*

[Text] The provincial meeting to exchange the experiences in the construction of party and government leading bodies at and above the county level concluded in Harbin today. The meeting particularly discussed the issue of how to strengthen construction of leading bodies to ensure the smooth progress of economic construction and other work.

During the meeting, the participants heard speeches given by Comrades Sun Weiben and Wang Haiyan on behalf of the provincial party committee, heard introductions of the experiences of seven typical examples, and discussed how the construction of leading bodies should be focused on and oriented to the needs of economic construction. Through the meeting, they came to understand clearly that the guiding thought for the construction of leading bodies is to focus on economic construction, which is the central task, to ensure the implementation of the party's basic line. They also acquired a clearer understanding of the current major task for the province's construction of leading bodies. It is to further improve the political accomplishment and leadership ability of leading cadres, and strive to build leading bodies at various levels in our province into strong leadership collectives which are politically firm, have strong leadership ability, and are competent in leading socialist modernization so as to provide an effective leadership guarantee for the smooth progress of the work in various fields of our province, especially the stable development of the economy.

The meeting urged party committees at various levels to pay attention to the implementation of the guidelines of this meeting, work out plans and assign responsibilities. Plans for the construction of leading bodies should be studied and formulated to improve their ideology, organization, work styles and systems so as to ensure new development in various undertakings through the new achievements in the construction of leading bodies.

Heilongjiang Holds Economic Observation Meeting

*SK2012003890 Harbin Heilongjiang Provincial
Service in Mandarin 2200 GMT 18 Dec 90*

[Text] The provincial party committee and government held a meeting on 18 December for the provincial economic observation group to give reports on its observation activities. Zhou Wenhua, deputy secretary of the provincial party committee, presided over the meeting. Responsible persons of the various pertinent departments directly under the province, and leaders of various prefectures, cities and counties heard a report on the observation activities given by Sun Weiben, secretary of the provincial party committee. The report not only introduced fresh experiences in the economic work of Shandong, Fujian, Shanghai, and Guangdong but put forward several suggestions for developing Heilongjiang.

Provincial Governor Shao Qihui spoke at the meeting. He said: The basic idea of the report on the observation activities is to take economic construction as the central task and, regarding productive forces as the criterion, facilitate reform, expand opening up, and accelerate the development of the local commodity economy. Not only should we follow this idea to put these suggestions into practice, but also we should look to this general idea for the economic work of the entire province, and use it to lead and govern all our work. Party committees and governments at various levels, and all localities and

departments should conscientiously implement this idea in terms of thinking and action. The starting point of the endeavor to implement the basic idea and the suggestions is to further emancipate the minds of the people throughout the province, and combine it with the large-scale discussion on facilitating the stable development of the economy, and with the formulation of the Eighth Five-Year Plan and the 10-year plan. All levels and all departments should earnestly examine their thinking and work against the guidelines of the report systematically to check their level in the emancipation of the mind, their concept of the commodity economy, their concept of reform and opening up, and their efforts to consider the overall situation and implement policies.

Speaking on the issues to which attention should be given concerning the efforts to emancipate the mind and learn from the experiences of other localities, Provincial Governor Shao said: We should adhere to the idea of proceeding from reality in doing everything. By taking productive forces as the criterion, we should bravely carry out all the work compatible with specific local conditions, and conducive to economic development. Meanwhile, we should implement the principle of eliminating the false and retaining the true, and refrain from mechanically copying the experiences of others, and learning from the superficial phenomenon and the methods we should not learn from. In addition, we should overcome negative and pessimistic feelings, and never regard ourselves as persons without any merit or become excessively humble. All localities and all departments should adhere to the viewpoint of one dividing into two, summarize their own experiences and lessons in line with reality, and then uplift their spirit, go all out with concerted efforts, and make their work still better.

In conclusion, Provincial Governor Shao pointed out: People throughout the province should conscientiously learn from the realistic spirit of dealing with practical matters relating to work possessed by advanced provinces and municipalities, carry out the work in various fields defined in the report, and make unremitting efforts to achieve sustained, stable and coordinated development in the economy of our province.

He Zhukang Attends Provincial Planning Conference

SK2012021790 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 19 Dec 90

[Text] The four-day provincial planning work conference ended in Changchun today. The conference maintained that in the next year, the focal point of the province's economic work will lie in industry, the difficult point lies in industry, and the hope also lies in industry. Therefore, striving for basic improvement in industrial and economic situation will be the central task of the province's economic work in the next year.

While the conference was in session, He Zhukang, secretary of the provincial party committee, and Wang

Zhongyu, governor of the province, attended the conference to hear the opinions and suggestions from the grass-roots units, and made important speeches.

This conference relayed and implemented the guidelines of the national planning work conference and the sixth plenary session of the fifth provincial party committee; and discussed and adopted the province's 1991 plan for economic and social development in line with the arrangements made by the state for the province.

The major targets of the 1991 provincial plan for economic and social development are: 1) Maintaining an appropriate and steady growth in the national economy, planning to effect a four-percent increase in the total industrial output value and a one-percent increase in the total agricultural output value. 2) Improving economic efficiency in a comprehensive way. The profit and tax rate of industrial sales should change from declining to showing an increase. Deficits from industry, commerce, and grain sales should show a large-scale reduction from this year. 3) As to the prerequisite of putting the total amount under control, we should appropriately increase investment in fixed assets and in consumption demands. It is planned that the scale of fixed assets investment in the next year will show a 10-percent increase over this year's, and the income level of urban and rural residents will continue to improve. 4) Making continued efforts to control commodity prices from hiking, controlling the increase scale of retail sales prices at about six percent. 5) Increasing income and decreasing expenditure, and striving to realize a basic balance in revenues and expenditures. 6) Maintaining a harmonious development of the economy and society, striving to promote all undertakings, and strengthening the building of socialist spiritual civilization. 7) Making continued efforts to deepen reform, and further expanding the opening to the outside world.

According to the analysis of various factors, the province's economic development situation next year will be better than this year's; however, many conspicuous contradictions and problems remain. For this, leaders of the provincial party committee and the government stressed in their speeches: We should make a correct analysis of the current situation, summarize experiences, not only recognize achievements but also difficulties, make good and flexible use of province's policies, and solve problems creatively. Principal leaders of governments at all levels should personally take a hand in industry. Leaders in charge should go all out to grasp industry, and other leaders should coordinate accordingly. We should extensively conduct quality, variety, and efficiency activities. With the invigoration of enterprises as the central link, we should positively perfect and deepen reform, continue to persist in and perfect the managerial contract responsibility system, and give priority to invigorating large and medium-sized enterprises. Centering on further invigoration of enterprises, we should accelerate the mutually supportive overall reforms.

The provincial government called on the vast number of cadres, workers, and staff members in the province to, under the leadership of the provincial party committee, conscientiously implement the party's basic line, clearly understand the current situation, make concerted efforts to forge ahead and make progress, strengthen the sense of responsibility and mission, and struggle with a still higher morale for the comprehensive fulfillment of the next year's economic and social development plan.

Delivers Report at Plenum

SK2012020790 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 14 Dec 90

[Text] The sixth plenary session of the fifth provincial party committee was held in Changchun on 10-14 December.

The main items on the agenda of the session were to sum up the work of the provincial party committee done since the last session of the fifth provincial party committee, to study and arrange the work of next year, and to discuss and approve the decision of the provincial party committee on strengthening the ideological construction of the party.

On behalf of the provincial party committee, He Zhukang, secretary of the provincial party committee, delivered a report entitled "Be Inspired With Enthusiasm, Advance Despite Difficulties, And Capture a New Victory in Socialist Modernization." Gu Changchun, deputy secretary of the provincial party committee, made a speech on strengthening the ideological construction of the party.

The session urged that the vast number of party members, cadres, and people should be mobilized and inspired with enthusiasm under the leadership of the party Central Committee with Comrade Jiang Zemin as its nucleus, be of one mind, quietly immerse themselves in hard work, and fight for capturing a new victory in socialist construction, reform, and opening-up undertakings.

Comrade He Zhukang pointed out in his report: The year 1990 is a year of arduous struggle when the vast number of cadres and people have united as one and worked hard to maintain stability and make development under the major environment where the outside world brings pressure on us and there are difficulties at home. Political stability, bumper agricultural harvests, high industrial growth rate, new progress in party building and the improvement of administrative honesty, and a harmonious social atmosphere are the basic points of the provincial situation. These are the main trends of the provincial overall situation and become a firm foundation for making further progress. At the time of fully affirming the achievements and the main trends, we should also know the existing difficulties and weak links, and where we lag behind. We should be sober-headed, start with difficulties to make progress, and

grasp [words indistinct]. Although we have made tremendous efforts, our industrial front still fail to pass through the most economically difficult period. Thus, we should continuously take overcoming temporary economic difficulties and striving to realize a basic turn for the better in the industrial situation as the main tasks of next year. We should strengthen the centralized and unified leadership of the party and mobilize the whole party and all of society to fight for realizing the tasks. We should grasp the key link of consolidation to further improve the economic environment and straighten out the economic order so as to promote the economic construction. We should rectify our thinking, work style, and discipline with the spirit of improving the economic environment and straightening out the economic order. It is necessary to continuously strengthen the improvement of the legal system. We should focus on consolidating unhealthy trade practices and work styles of organs to further strengthen the improvement of party style and administrative honesty. We should implement the principle of grasping consolidation on the one hand and grasping prosperity on the other hand, to promote the development of all social undertakings.

Comrade He Zhukang set forth: The general guiding ideologies of the work of next year are to comprehensively and deeply implement the party's basic line; to firmly grasp the key links of stability, reforms, consolidation, and development; to strive to realize the target of basically improving the industrial production situation; to go all out to promote the national economy; to concentrate efforts on grasping party building; to make concerted efforts to create a fine social environment; and to mobilize all positive factors to promote the development of the material and spiritual civilizations. Party organizations at various levels should pay attention to the following few points while guiding the work of next year.

First, we should comprehensively implement the basic line of the party, focus on the central task of promoting the economic work to grasp material and spiritual civilizations at the same time, and unite with the people of all province.

Second, we should persist in the thinking that stability is above everything else, and consolidate and develop the political situation characterized by stability and unity.

Third, we should link the work of improving the economic environment, straightening out the economic order, and deepening reforms with the economic development; make them coordinate with one another; and [words indistinct].

Fourth, we should unswervingly implement the guiding ideology of making a sustained, steady, and harmonious development; do a good job in handling the relationship between speed and efficiency by linking them.

Fifth, we should not only adhere to the four cardinal principles and oppose bourgeois liberalization; but also

emancipate our minds and deepen reforms. We must never attend to just one thing and lose the sight of another.

Sixth, while developing the socialist commodity economy, we should pay attention to how the principle of commodity exchanges invade political activities, and integrate the work of attending to the economic construction with that of grasping party building.

Seventh, we should conduct ideological and political work and the economic work at the same time, integrate them, [words indistinct].

Comrade He Zhukang stressed: To realize the basic turn for the better in the economy, the industrial front should stress the main points of the economic work, pay attention to solving both temporary and permanent problems, be based on the long-term points of view, and have its sight on the present work. In line with this principle, we should further focus on the industrial economy at the time of strengthening the agriculture's role as the foundation of the national economy; persistently focus on improving the economic results and upgrading the quality of products to comprehensively launch the campaign of regarding the year of 1991 as one of quality, variety, and economic results; firmly attend to the four focal points, such as technological progress, the improvement of management, structural readjustment, and the enlivening of the circulation channels; expand the scale of reforms; speed up the pace of opening the province to the outside world; basically change the severe situation where the industrial growth rate is quite low, many finished products are kept in stock, and the economic results are reduced by a big margin; and strive to promote the province's economy on the orbit of sustained, steady, and harmonious development.

Comrade He Zhukang emphatically talked about the issues of strengthening the leadership of the party and improving party building.

He said: The historical tasks that we are undertaking and the domestic and international situations ahead of us ask us to further enhance the leadership of the party, to continuously grasp party building, and to fully display the party's nucleus and guiding role. We should enable all comrades of the party and the people of all nationalities to clearly understand the extreme importance of the leadership of the CPC. First of all, we should help the vast number of party members, particularly party-member leading cadres, upgrade their understanding. We should strengthen the party's centralized and unified leadership, and fully display the leadership of the party. The party focuses its leadership on politics, line, principles, and policies. All trades and professions and all departments have the responsibility for ensuring the implementation of the party's policy decisions to the letter and have the duty to report their work situations to party committees and to accept the supervision and examinations of party committees. We should particularly stress the enhancement of the party's leadership

over the economic work. Next year, we should focus on strengthening the party's ideological and theoretical construction to comprehensively strengthen party building. In regard to the party's ideological and theoretical construction, we should prominently attend to the work in two spheres. First, we should better combine the work of deeply conducting the education on the basic theories of Marxism-Leninism-Mao Zedong Thought, the basic line of the party, and the basic knowledge of the party with the study of the theory on building socialism with Chinese characteristics. Second, in the spirit of rectifying the incorrect work style, we should conduct the ideological education and wage the struggle against individualism, strengthen the awareness of party spirit, and foster the communist outlook on life. We should link the party's ideological construction with the improvement of party style and administrative honesty, and take the correction of unhealthy practices within trades and the rectification of work style of organs as key links to further strengthen the improvement of party style and administrative honesty. We should combine the strengthening of the party's ideological construction with the enhancement of building the party's leading bodies to ensure that the leadership of the party and the state at various levels is grasped by those who are loyal to Marxism. In line with the principle of basic stability, appropriate readjustment, quality improvement, and structural optimization, we should continue to improve the building of leading bodies with the focus on the top leaders. It is necessary to promote the reform of the cadre system, to persist in and perfect the systems of openly selecting and promoting and exchanging leading cadres and the leading cadres' retirement system. We should strengthen the building of the grass-roots party organizations, pay particular attention to the building of the grass-roots party branches of the production forefront.

Comrade He Zhukang stressed that the party should foster a fine mental outlook of not fearing difficulties, bravely waging struggles, and being brave to capture victories; and use this mental outlook to promote the work of society.

At the plenary session, Gu Changchun, deputy secretary of the provincial party committee, set forth opinions on strengthening the ideological construction of the party. He pointed out: Our party is confronted with an extremely complicated situation. It requires we fully understand the extreme importance and urgency of strengthening party building, particularly the ideological construction, under the new historical conditions. Persistently taking the education on party spirit as a key link for strengthening the ideological construction of the party, fostering a communist outlook on life, and adhering to the party's goal of serving the people wholeheartedly is the basic task related to the ideological construction of the party. To fulfill this basic task, we should have a clear-cut stand to oppose peaceful evolution, bourgeois liberalization, and bourgeois individualism. The struggle between peaceful evolution and

counter-peaceful evolution is a struggle between two different value viewpoints. The main concept and the basic principle of the West's values is selfish individualism. The socialist collectivism and the bourgeois individualism cannot peacefully be evolved within the party. Theoretical awareness, political firmness, and ideologically and morally high-standard requirements are completely integrated. To build the party into a political party with stronger Marxist ideology in front of the struggle between two different sets of values, we should strengthen the education on party spirit and help party members possess accomplishment and make the Communist Party members become examples in terms of their moral integrity. With regard to strengthening the ideological construction of the party, we should grasp the key links of the education on party spirit and the party members' accomplishment and make efforts to ensure that party members have both party spirit and accomplishment. Persistently in line with the principle of persuasion, we should deeply grasp the study and education of Marxism. We should enhance the awareness of party spirit and self-accomplishment; solve the problems of deeds not matching words; lay emphasis on combining sound awareness, well-molded characters, strong will, and well-principled action; overcome the vulgar work styles within the party; grasp the weapons of criticism and self-criticism; and combine the strengthening of the party's ideological construction with the improvement of the party's organizations, work style, and discipline. We should promote the ideological construction by conducting the education on party spirit.

Through full discussions and revisions, the plenary session unanimously approved the decision of the Jilin Provincial CPC Committee on strengthening the party's ideological construction.

Comrade He Zhukang, secretary of the provincial party committee, made a summation speech at the conclusion of the session. He set forth specific requirements and made arrangements for implementing the guidelines of the plenary session.

Present at the plenary session were He Zhukang, secretary of the provincial party committee; and Wang Zhongyu, Du Qinglin, Gu Changchun, and (Zhang Dejiang), deputy secretaries of the provincial party committee. Also present at the session were members and alternate members of the provincial party committee. Attending the session as observers were 119 people, including members of the provincial Advisory Commission and the provincial Discipline Inspection Commission; principal leading comrades of the provincial People's Congress, the provincial committee of the Chinese People's Political Consultative Conference, and the provincial military district; and responsible cadres of the departments and commissions under the provincial party committee and some departments, offices, and bureaus under the provincial government.

Democratic Parties Briefed on Plenum Guidelines

SK1912043990 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 18 Dec 90

[Text] This afternoon, the Jilin Provincial CPC Committee invited responsible persons of the provincial-level democratic parties and industrial and commercial federation, as well as non-party personages, who were living in Changchun, to a meeting to brief them on the guidelines of the sixth plenary session of the fifth provincial party committee which had just concluded.

The meeting was presided over by Gu Changchun, deputy secretary of the provincial party committee. He briefed the participants on the guidelines of the sixth plenary session of the fifth provincial party committee; and relayed the report entitled "Enhance Spirit, Advance Despite Difficulties, and Try to Win a New Victory in Socialist Modernization," made by He Zhukang, secretary of the provincial party committee, at the plenary session of the provincial party committee.

(Zhang Tienan), director of the United Front Work Department under the provincial party committee, reported the guidelines of the speech made by Comrade Gu Changchun at the plenary session of the provincial party committee, as well as the decision adopted by the provincial party committee with regard to strengthening the party's ideological construction.

Attending today's meeting were responsible persons of the provincial committees under the Revolutionary Committee of the Kuomintang, under the China Democratic League, under the China Democratic National Construction Association, under the China Association for Promoting Democracy, under the Chinese Peasants and Workers Democratic Party, under the Taiwan Democratic Self-Government League, and under the Industrial and Commercial Federation, as well as some non-party personages, including Geng Yuelun, (Wu Shiduo), Zhou Zheng, Xiao Shanyin, (Tang Gecun), (Zhao Ruyi), Yu Ruihuang, Li Guotai, (Hu Hongyun), (Cui Jianwen), Wang Jian, (Tai Huyun), Chen Rubin, Duan Chenggui, (Liang Jiewen), (Zhu Wenrong), (Wu Jingzong), Cheng Shengsan, Gao Wenshan, Li Hongchang, (Li Yuhong), (Sun Dezheng), (Ma Guoyuan), Zhang Dexin, Luo Yuejia, Chen Bingcong, (Wu Longzhang), (Ji Luren), and (Xie Dengyuan).

Jilin CPPCC Holds Forum on Economic Work

SK1912062690 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 18 Dec 90

[Text] On 18 December, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] held a forum on economic work. Leaders of the provincial government attended the forum to hear opinions. On 30 November, at the 15th Standing Committee meeting of the sixth provincial CPPCC Committee, Vice Governor Liu Xilin circulated the report on the province's 1990 economic work situation and on the basic ideological train of the economic work in the next year,

and listened to the opinions set forth by Standing Committee members of the provincial CPPCC Committee. Leaders of the provincial government considered the opinions of the Standing Committee members of the provincial CPPCC Committee very good, and expressed hope that they would continuously hear their opinions and suggestions. Through conscientious studies, leaders of the provincial CPPCC Committee maintained that it was necessary to invite its members to fully express their opinions.

On the morning of 18 December, the provincial CPPCC Committee held a forum with the participation of some specialists and scholars who were Standing Committee members or members of the provincial CPPCC Committee. Gao Wen, vice chairman of the provincial CPPCC Committee, presided over the forum. Heading responsible persons of the general office of the provincial government, the provincial Economic and Planning Commission, the provincial Foreign Economic Relations and Trade Commission, the provincial Commercial Department, and the provincial Price Bureau, Vice Governor Liu Xilin attended the forum to conscientiously listen to the speeches made at the forum.

Speaking at the forum were Luo Yuejia, vice chairman of the provincial CPPCC Committee; (Jiang Yan), (An Qingchang), and (Fan Zheng), Standing Committee members of the provincial CPPCC Committee; (Huang Shichun), (Zhang Yuecheng), (Zhang Decun), and (Liu Jiefu), members of the provincial CPPCC committee. They fully affirmed the work done by the provincial government, were satisfied with the analysis of the province's economic situation, and offered many good opinions and suggestions for the problems facing the province's economic situation and industrial production, for the agricultural development guiding ideology, for the readjustment of product mixture, for the need to make continued efforts to reap bumper grain harvest and develop agricultural production, and for the matters of seeking truth from facts and changing government workstyle, thus manifesting the superiority of the CPPCC which serves as a talent bank and think tank.

Vice Governor Liu Xilin listened to the speeches of CPPCC members with great earnest. He highly thanked Standing Committee members, members, specialists, and scholars of the provincial CPPCC Committee for their concern and support to the work of the provincial government.

At the conclusion of the forum, Vice Chairman Gao Wen said: Members of CPPCC organizations at all levels should continuously go deep into the grass roots to conduct conscientious investigation and study, give support to the government work, actually understand the real situation, offer strength and advice, and further display their role in conducting political consultation and democratic supervision.

Also attending the forum were Jin Minghan, Feng Xirui, and Zhang Hongkui, vice chairmen of the provincial CPPCC committee.

Liaoning's Five-Year Agricultural Input Increases

SK1812153790 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 17 Dec 90

[Text] The province's input in agriculture during the Seventh Five-Year Plan period showed a marked increase over that of the Sixth Five-Year Plan period. During the Seventh Five-Year Plan period, the province's total investment in agricultural capital construction reached 705 million yuan, and the appropriations especially released from the provincial finances for aiding agriculture reached 1.785 billion yuan, an increase of 100 and 130 percent, respectively, over the figures of the Sixth Five-Year Plan period. The increase in agricultural input has accelerated the province's specialization, commercialization, and socialization of agriculture. Grain output of the 22 commodity grain base counties, which were funded with the joint investment of the state and the province, accounted for 68.8 percent of the province's gross grain output. The grain purchased by contracts from these counties accounted for 86.1 percent of the province's total.

During the Seventh Five-Year Plan period, the province initiated a number of agricultural infrastructure projects. The Liao He harnessing project, with a total investment of 85.5 million yuan, has enabled Liao He's flood prevention capacity to improve markedly. [words indistinct] Construction of the first-phase project of (Guanying) Reservoir has already begun. Upon completion, this reservoir will provide 1.173 billion cubic meters of water for industrial and agricultural use for Benxi, Liaoyuan, Anshan, and Yingkou Cities. It will improve saline-alkali land and increase paddy fields by 264,000 mu. The Liao He Delta development project and the project of embanking 200,000 mu of beach areas will play an important role in stabilizing Liaoning's grain output.

During the Seventh Five-Year Plan period, the agriculture support industry has been strengthened remarkably. The province has arranged for 18 chemical fertilizer construction projects, two plastic sheet projects, and 13 pesticide plant renovation projects, with a total investment of 1.992 billion yuan. When all of these projects have been completed, the province will basically be self-sufficient in nitrogenous fertilizer and phosphate fertilizer. The raw materials needed to produce agricultural plastic sheets will be guaranteed, and the province will be provided with an annual production capacity of 80,700 tons of plastic sheets. During this period, the province again developed eight new varieties of pesticide, enabling the province's pesticide production capacity to reach 2.96 million tons. This has fulfilled the agricultural production demand totally.

During the Seventh Five-Year Plan period, although the investment in the agricultural machinery industry

decreased, the production of farm machines and tools still increased steadily. There are 53,000 large and medium-sized tractors, 140,000 small tractors, and 132,000 farm machines and tools in the province. The acreage plowed by tractors accounted for 63 percent of the total cultivated acreage. In addition, 175,000 individual farm machine households have emerged in rural areas.

During the Seventh Five-Year Plan period, power consumption of the rural areas increased remarkably, reaching 21.7 kwh, an increase of 28.5 percent over the Sixth Five-Year Plan period. The per-capita power consumption reached 23 billion kwh, an increase of 50 percent.

Northwest Region

Gu Jinchu Attends 'Two-Support' Conference

HK1912135390 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 17 Dec 90

[Excerpts] The provincial work conference on supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs as well as supporting government and cherishing people [two-support] began solemnly in the auditorium of Lanzhou's (Linmozhuang) Hotel yesterday morning.

At 8:30 yesterday morning, (Sun Cuiping), member of the Standing Committee of the provincial party committee and commander of the provincial military district, declared the conference open.

Provincial Governor Jia Zhijie delivered an opening speech at the conference. [passage omitted]

Provincial Vice Governor Mu Yongji delivered a work report entitled Inherit and Develop Glorious Tradition of Supporting Army and Giving Preferential Treatment to Families of Revolutionary Soldiers and Martyrs. Push Our Province's Two-Support Work to a New Level at the conference.

In his report, he first reviewed the latest development of our province's work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs in the new historical period and then put forward some demands on the work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs in the future. He said: Party committees and governments at all levels must conscientiously study, implement, and carry out a series of important instructions issued and relevant stipulations made by the party Central Committee and the Central Military Commission, carry out and develop two-support work, earnestly strengthen leadership over two-support work, and really list two-support work in their work agenda.

The provincial authorities called on various areas across the province to carry out education on patriotism and

supporting the Army in a down-to-earth manner, strengthen the national defense concept among the whole people, establish quality-service networks in more areas, push ahead with socialization of the work of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, do things for the locally stationed troops with one heart and one mind, quickly and conscientiously solve problems which undermine relations between the Army and people, implement all the relevant policies to the letter, and step up the building of national defense reserve forces in a down-to-earth manner.

Provincial military district Political Commissar (Li Zhong) made a work report entitled Hold Aloft Banner of Unity Between the Army and Government and Between the Army and People, Strive To Push the Work of Supporting the Government and Cherishing the People to a New Level at the conference. [passage omitted]

Entrusted by the leading comrades of the Central Military Commission, Li Jinai, deputy director of the People's Liberation Army General Political Department, especially came to Lanzhou to attend the conference. He also delivered a speech at the conference.

In his speech, he expressed a three-point hope on the troops stationed in Gansu:

1. To play the pillar role in maintaining social stability.
2. To play a leading and exemplary role in building spiritual civilization and strengthen cooperation with local people in this regard.
3. To play an active role in Gansu's economic construction.

The provincial party, government, and military leaders and the retired veteran comrades attending the opening ceremony included: Gu Jinchu, Li Ziqi, Fu Quanyou, Xu Feiqing, Lu Kejian, Yan Haiwang, (Huang Luobin), (Li Dengying), (Wang Bingxiang), (Shi Rongxiu), (Dong Gaowen), [words indistinct], and others.

The responsible persons of various prefectures, cities, autonomous prefectures, and a number of counties and districts of our province; the responsible persons of the military units and armed police forces stationed in Gansu; the responsible comrades of various departments and bureaus directly under the provincial authorities; and the responsible comrades of various Lanzhou-based institutions of higher learning, scientific research units, and large enterprises and mines also attended the conference.

The Ministry of Civil Affairs sent a congratulatory telegram to the conference.

Song Hanliang on Enterprise Contract System

*OW1912225690 Urumqi XINJIANG RIBAO in Chinese
1 Dec 90 p 1*

[Dispatch from Urumqi by reporter Fan Xibin (5400 6007 2430) and correspondents Yan Hong (7051 5725) and Ni Qin (0242 3830)]

[Text] On 29 November, Yin Hongren, director of the Xinjiang Cement Plant, signed a two-year-operation contract on behalf of the plant with the autonomous regional Department of Finance and Bureau of Building Materials Industry. The plant is the first enterprise directly under the autonomous regional government that has signed the second-round contract.

The Xinjiang Cement Plant is a backbone enterprise of Xinjiang's building materials industry. Spurred on by the contractual managerial responsibility system during the period of the first-round four-year contract, the plant has constantly deepened its reform, improved its operational mechanism, and withstood the test of difficulties caused by unfavorable external environmental factors. It is expected that it will achieve a total industrial output value of 97,866,700 yuan and a profit of 43,164,500 yuan, of which 13,405,000 yuan will be turned in to the state. These economic targets of the first-round contract will be fulfilled by the end of this year. During the four years, the plant has successively transformed the automatic control system and dust control device for No. 2 and No. 3 kilns, and thus created additional fixed assets worth 13,098,700 yuan. The newly created fixed assets are greater than those created during the 10 years before the signing of the contract. In the first three years of the contract, the plant rewarded the workers and staff members with annual wage increases for their good job performance and solved housing problems for 363 families. All the workers and staff members have installed gas stoves in their houses.

The second-round contract will be a new test for the Xinjiang Cement Plant. After full consultations, it has been agreed that during the two years under the contract,

the plant will achieve a total profit of 12 million yuan, deliver to the state 3,675,000 yuan of the profit annually, repay a 4-million-yuan loan for the No. 4 kiln, and set aside 1 million yuan for investment in development of new building materials. In addition, the plant must tap its potential to offset some negative factors to a total amount of 5.26 million yuan caused by increased spending and reduced profit next year. In order to promote its development, the plant has mobilized its workers and staff members to pool their wisdom and efforts, and formulated some feasible measures. All the workers and staff members will share the risk of loss, and will strive to overcome difficulties and make the second-round contractual operation a success.

The autonomous regional party committee and government attach great importance to the ongoing signing of second-round contracts in Xinjiang. The autonomous regional guiding group for second-round enterprise contract briefed Comrade Song Hanliang on the contract signed with the Xinjiang Cement Plant. After hearing the briefing, he put forward several demands: First, it is necessary to continue and improve the enterprise contract system, because it is a proper way of enterprise operation that conforms to the current level of Xinjiang's productive forces and enterprise management. Second, it is necessary to understand and handle correctly the relations between a steady development and the work of reform and opening to the outside world. The most fundamental task is to implement the party's basic line. Third, the work of enterprise reform should be integrated with efforts to improve ideological and political work. It is necessary to improve the operational mechanism of enterprises while keeping to the socialist orientation. Fourth, the signing of the second-round contract with the Xinjiang Cement Plant should be regarded as a new starting point for promoting the signing of second-round contracts with other enterprises in Xinjiang.

Yusufu Muhanmode, vice chairman of the autonomous regional government, attended and addressed the contract-signing ceremony.

Japan Imposes Biggest Trade Barriers to Exports

*OW2012034990 Taipei CNA in English 0256 GMT
20 Dec 90*

[Text] Taipei, Dec. 20 (CNA)—Japan erects greatest trade barriers to Republic of China's [ROC's] exports, according to a recent survey.

The Importers Association of Taipei, at the request of the Board of Foreign Trade, conducted the November survey in which 10,000 manufacturers were questioned about their experience in dealing with other countries.

The preliminary results showed that Japan imposes greatest trade barriers for ROC manufacturers, followed by the European Community, Arab countries, and the United States.

Japan sets stringent requirements in specifications, making it hard for the ROC products to meet the requirements, the survey found.

European countries tend to buy from each other, making it hard for ROC products to penetrate into their markets.

ROC manufacturers also found that they have difficulties in entering Arab countries because of their embargo against countries that trade with Israel.

Stringent quotas in the United States have become a problem for manufacturers here, the survey also found.

The questionnaire covered such areas as tariffs, import restrictions, import procedure, inspection, and whether ROC manufacturers are discriminated against in bidding for government contracts.

Philippines Firmly Against Taiwan Act

*HK1912040490 Manila PHILIPPINES NEWSDAY
in English 19 Dec 90 p 3*

[By reporter Arthur I. Bariuad]

[Text] Foreign Secretary Raul Manglapus yesterday said that the government is "firmly against" the passage of the Philippines-Taiwan Beneficial Relations Act, adding that while the one-China policy will continue, economic relations with Taiwan will be fostered.

"Our position is that we are firmly against a so-called Taiwan Relations Act. We don't want Taiwan mentioned in any special legislation."

The controversial measure has raised serious objections from Chinese diplomats in Manila because of its political implications, particularly the creation of "two Chinas, or one China and one Taiwan."

After the House of Representatives temporarily shelved the proposed law, the People's Republic of China recalled its resident ambassador to the Philippines, Wang Yingfan, who has still be replaced. Wang now chairs the Asian Department of the Chinese Foreign Affairs Ministry in Beijing.

"We would support legislation that will be more general in character which might incidentally affect our economic relations with Taiwan but would not single out Taiwan for political recognition," Manglapus said.

"We sometimes have to take extraordinary effort to develop our economic relations with Taiwan," he added. "We don't want Taiwan to be mentioned in any special legislation."

The DFA [Department of Foreign Affairs] chief also revealed that during the visit of Chinese Prime Minister Li Peng in Manila last week, Beijing has expressed no objection to increased relations between Manila and the breakaway province, provided these are on an unofficial basis or person-to-person contacts.

He said that Li has demonstrated an openness "which we appreciate towards our economic problems and he recognized that Taiwan plays an important role in Philippine development."

According to Manglapus, the Chinese premier also recognized that fostering relations with Taiwan is only part of "our sincere effort to develop only economic, not political relations."

Manglapus has repeatedly said that the Philippine government will adhere to the one-China policy which is contained in the 1975 joint communique formally establishing Manila-Beijing diplomatic relations. The policy states that the Philippines would only recognize the Beijing government as the sole legitimate representative of the whole of China.

But Manglapus also indicated that the accord will not hinder Manila from establishing relations with countries which are potential sources of commerce, trade and investment.

Investment Agreement Signed With Indonesia

*OW2012030890 Taipei CNA in English 1514 GMT
19 Dec 90*

[Text] Taipei, Dec. 19 (CNA)—The Republic of China [ROC] and Indonesia signed an investment guarantee agreement Wednesday here in a bid to further promote investment relations.

Indonesia is the second ASEAN (the Association of Southeast Asian Nations) country, following Singapore, to sign such an agreement with the Republic of China, a major investor in Southeast Asia in recent years.

The accord, signed by the heads of their representative offices in each other's country, includes provisions protecting ROC investment projects in Indonesia whose value totals estimated 1.3 billion US dollars.

A Foreign Affairs Ministry official said all ASEAN countries maintain close economic and trade relations with the Republic of China in spite of a lack of diplomatic ties.

The signing of investment guarantee agreements between the Republic of China and ASEAN countries is expected to further strengthen investment and other substantive relations, he said.

Indonesia is one of the Republic of China's major trade partners in Asia. Two-way trade amounted to 1.6 billion US dollars in 1989 and increased to 1.9 billion US dollars in the first 11 months of 1990.

Trade Mission Ends Argentina Visit

OW1912132190 Taipei CNA in English 1055 GMT
19 Dec 90

[Text] Buenos Aires Dec. 18 (CNA)—A 30-member Republic of China trade mission, led by Vice Economics Minister Chiang Pin-kung, concluded its 48-hour visit and left here for Santiago, Chile, Tuesday afternoon.

During its stay here, Vice Minister Chiang and members of the mission called on Argentine business and industrial sectors to exchange views on how to strengthen bilateral trade ties.

In an interview with CENTRAL NEWS AGENCY, Chiang said the mission which had visited Mexico and Brazil before Argentina has produced "positive and constructive results."

He said the group was to strengthen ROC purchases, expand trade ties, and look for investment opportunities, as Mexico will sign a free trade agreement with the United States, and Brazil, Argentina and Chile will set up a common market in 1995.

In Mexico, Brazil and Argentina, the mission talked with business, industrial and government leaders to help them acquire better understanding of the ROC and to suggest that exchange visits be strengthened.

The suggestion, Chiang said, was well received by both public and private sectors. A Mexican commercial bank has decided to set up its branch in Taipei, and Mexico and Brazilian sectors agreed to hold a cooperation meeting with their ROC counterparts in Taipei next year.

Mexico has offered 20 hectare of land to set up an industrial park to attract ROC investors. Many Brazilian provincial governments have also offered lands for ROC investors to develop fish culture and agricultural cooperation projects.

The mission has also suggested that offices of representatives be exchanged for the promotion of substantive ties.

Trade Mission Visits Chile

OW2012110790 Taipei CNA in English 1013 GMT
20 Dec 90

[Text] Santiago, Chile, Dec. 19 (CNA)—The 30-member Republic of China [ROC] trade mission, led by Vice

Economic Affairs Minister Chiang Pin-kung, had a busy and fruitful schedule in the Chilean capital and suburbs Wednesday.

Briefings and exchanges of views took place in the morning at the Chilean Economics Ministry and National Federation of Industries. The federation promised to organize a mission to visit Taipei next year for further talks on economic cooperation.

Chiang's group then visited the port city of Valparaiso, some 60 kilometers away from Santiago, for a tour of harbor facilities and the land slated for the construction of a Taiwan industrial park.

The vice economics minister and his group were luncheon guests at the Saint Tomas University. An evening reception in honor of the mission was hosted by the Chilean Commission for Foreign Investment.

It was noted that two-way trade between the ROC and Chile totaled 560 million US dollars in 1989. The ROC is seen by Chileans as an important trade partner in Asia.

The mission flew in from Buenos Aires Tuesday night for a 48-hour visit, on its last leg of Latin American tour.

Mexico To Simplify Visa Procedures

OW2012041890 Taipei CNA in English 1507 GMT
19 Dec 90

[Text] Taipei, Dec. 19 (CNA)—Mexico will grant business visas to Republic of China [ROC] citizens within 72 hours from January 1991, and starting next March those who apply for tourist visas will be able to apply through travel agencies, Mexican Trade Services (MTS) here said Wednesday.

MTS made the announcement in response to complaints heard at a Taipei seminar introducing Mexico's investment environment. The ROC businessmen complained that they had difficulties in getting visas from the Mexican Government. It usually takes three weeks, or six months in some cases, to get business visas.

Gabriel Rosales, MTS director, said his government will process visa applications quickly to meet the needs of businessmen in Taiwan.

Right now ROC citizens intending to visit Mexico must apply to the Taipei branch of the Mexican Import-Export Bank for entry visas; their applications are then forwarded to Mexico's Hong Kong Consulate General for approval.

Reunification Committee To Discuss Draft Program

OW2012110590 Taipei Domestic Service
in Mandarin 2300 GMT 18 Dec 90

[From the "Weather and Press Review" program]

[Text] After a full day of intensive discussion yesterday, the Research Committee of the National Reunification

Committee [NRC] decided on the draft outline and substance of the national reunification program.

The draft outline includes the following four major parts: The Preamble, Objectives, Principles, and Procedures.

The draft principles provide that the two sides should respect each other on an equal footing, and that, with regard to the time and method of reunification, the wishes and well-being of people on Taiwan should be respected. [words indistinct] immediate, intermediate, and long-term stages governing the expansion of nongovernmental contacts; and the establishment of mutual trust, direct official contacts, and direct shipping, investment, and trade relations.

According to the principles, the two sides should, on the premise of one China, promote constitutional reform so that the final long-term goal, namely, achieving national reunification through negotiations, can be achieved.

It is expected that the draft program will be delivered to all the NRC members today or tomorrow, and that it will be the main agenda of the NRC's second plenary session scheduled to take place this Saturday, the day the NRC officially will begin its operation.

Party-To-Party Talks Not Considered

OW1912141690 Taipei CHUNG KUO SHIH PAO
in Chinese 13 Dec 90 p 3

[Text] In connection with the Chinese Communists' national conference on Taiwan affairs, which once again proposed that the Kuomintang and the Communist Party of China begin contact and talks to solve the problems on both sides of the Strait, Ma Ying-chiu [an official of the ROC (Republic of China) Mainland Affairs Commission] said that party-to-party talks are impractical and that the government will never consider these kinds of talks. He also reiterated that the government decision to empower an intermediary organization to handle affairs concerning exchanges between both sides of the strait was "a concrete measure that takes the present reality into consideration" at the present stage.

Ma Ying-chiu said that the government will not make any political contacts or hold talks with the Chinese Communists. This is established policy and will never be changed. In the future, when intermediary organizations begin business with the Chinese Communists, they will inevitably come into contact with organizations or personnel of the Chinese communist regime, but this does not contravene the principle of not making political contact with the Chinese Communists.

Ma Ying-chiu said that it would be best if the Chinese Communists establish a reciprocal intermediary organization to promote two-way exchanges between both shores of the strait, but there is no need to do so

reluctantly. However, the method of having intermediary organizations solve problems derived from exchanges between both sides of the strait is most acceptable to both sides.

Kao Kung-lien, vice chairman of the Executive Yuan's Research Commission and Mainland Affairs Commission, held that the Chinese Communists' renewed call for the Kuomintang and the CPC to make contacts and hold talks is impractical. They are asking us to surrender. The government will never accept their call.

Kao Kung-lien said the promotion of exchanges between both sides of the strait should begin with civilian exchanges in order to let the people compare the systems and societies on both sides of the strait. Only when exchanges at the grass-roots level are done well can contacts be made and talks held to discuss other issues.

Time for Reunification Talks 'Not Yet Ripe'

OW1912135290 Taipei TZU LI WAN PAO in Chinese
13 Dec 90 p 3

[Text] Cheng Hsin-hsiung, chairman of the ruling Kuomintang Central Committee's Commission on Mainland Affairs Work, said here today that future high-level talks with the mainland will certainly focus on matters of major principles, but he noted, before any talks could begin, the Chinese Communists must demonstrate their goodwill to us. At present, it is obvious that the time is not yet ripe for negotiation.

Cheng Hsin-hsiung also reiterated that there is no timetable for the reunification of the two sides of the strait. Decisions on this matter will depend on the developments of the situation, but in this process, Taiwan must always play the leading role. Various measures, such as allowing people to visit their relatives and indirect trade, adopted by the government in recent years also have proved that Taiwan always has taken the initiative.

The Chinese Communists ended their national conference on Taiwan affairs yesterday. During the conference, they decided to make the realization of the reunification of the motherland a major political task for the whole party and country in the 1990's. They also noted that they would take the initiative in promoting the development of relations between the two sides of the strait. The conference has attracted much international attention because it was the largest conference on Taiwan affairs ever held by the Chinese Communists in the past 41 years.

During an interview today, Cheng Hsin-hsiung noted that during the conference, the Chinese Communists called for implementing the principle of "peaceful reunification and one country, two systems." It was obvious that there was nothing new in this. The Chinese Communists are still accustomed to using peace as a means and force as a backing. Therefore, to put it simply, there has no explicit change in their Taiwan policy.

However, Cheng Hsin-hsiung also pointed out that it was worth noting that the Chinese Communists had gradually come to realize the reality about the current existence of many parties in Taiwan. Nevertheless, we still cannot accept the so-called "party-to-party talks."

Cheng Hsin-hsiung stressed that President Li Teng-hui, in his inaugural speech, presented four demands to the Chinese Communists—democratization of politics, liberalization of the economy, abandonment of invading Taiwan, and not obstructing Taiwan's expansion of its diplomatic relations under the principle of one China. These four demands are the fundamental norms of our mainland policy. Therefore, if the Chinese Communists make no well-intentioned response to the four demands, we will never consider any talks with them. He also noted that the Chinese Communists are impatient about making Hong Kong the model of their "one country, two systems" policy. Therefore, Cheng Hsin-hsiung judged that a report on the principle of "one country, two systems" to be implemented in Hong Kong could have been delivered at the conference on Taiwan affairs.

Touching on the matter of the Chinese Communists' hope that low-level two-way exchanges should be upgraded to high-level exchanges and that high-level exchanges be upgraded to talks, Cheng Hsin-hsiung said that only matters of major principles should be discussed should talks occur between the two sides in the future. On whether a similar meeting like the mainland conference on Taiwan affairs should be held in Taiwan to discuss mainland affairs, Cheng Hsin-hsiung said that this matter should be taken care of by the Commission on Mainland Affairs.

Mainland Scholars To Study Taiwan Land Reform

OW1812045390 Taipei CNA in English 0250 GMT
18 Dec 90

[Text] Taipei, Dec. 18 (CNA)—Fourteen members of a Germany-based mainland Chinese scholars and students organization, the Rhine Forum, arrived in the Republic of China Monday to study Taiwan's land reform experience.

This is the first time a mainland Chinese academic organization has come here to study land reform. The 14 mainlanders said in a statement that their visit here would help promote academic exchange between both sides of the Taiwan Strait.

Wang Chien-min, a member of Rhine Forum, told a press conference that the forum is an independent, open, non-partisan, academic organization. He said that conclusions reached during the "seminar on Taiwan's land reform experience" will be printed on RHINE MAGAZINE and made known to overseas mainland students.

President Reaffirms Efforts To Implement Reform

OW2012052590 Taipei CNA in English 1553 GMT
19 Dec 90

[Text] Taipei, Dec. 19 (CNA)—President Li Teng-hui told US Senator Gordon J. Humphrey Wednesday that the Republic of China [ROC] is working to implement constitutional reform.

During the meeting, Li expressed his hope that the United States will pay greater attention to the maintenance of stability across the Taiwan Strait so as to facilitate the ROC's political democratization in a stable environment.

Li said that since the Republic of China treasures its traditional friendship with the United States, the ROC has supported US foreign policy aims. Furthermore, the ROC has spared no efforts to narrow its trade surplus with the United States.

Senator Humphrey, a close friend to Taipei, lauded the ROC's efforts to promote economic liberalization and political democratization. He assured President Li that he will continue his support of the ROC.

Shrinkage in Foreign Exchange Reserves Expected

OW1912104090 Taipei CNA in English 1540 GMT
18 Dec 90

[Text] Taipei, Dec. 18 (CNA)—A ranking official said Tuesday that the nation's foreign exchange reserves, which now stand at 72 billion U.S. dollars, will shrink to around 50 billion U.S. dollars within six years.

The official of the Council for Economic Planning and Development said the government's six-year national development plan, which begins in 1991, will have a "slimming" effect on the fat reserves.

The accumulation of foreign exchange holdings has mainly been caused by large surpluses in the nation's balance of international payments.

The official forecast the nation's goods and services trade surplus will fall from this year's 9.77 billion U.S. dollars to 1.36 billion U.S. dollars in 1996, when the six-year plan ends.

He further estimated that the country's 1991-1996 current account surplus will total some 30 billion U.S. dollars while net capital outflow will reach 47-57 billion U.S. dollars, resulting in an international payments deficit of 17-27 billion U.S. dollars. As a result, he explained, the nation's foreign exchange reserves would be reduced from 72 billion U.S. dollars to somewhere between 45 billion and 55 billion U.S. dollars in 1996.

Military Airport May Open for Civil Aviation

*OW1912103090 Taipei CNA in English 1549 GMT
18 Dec 90*

[Text] Taipei, Dec. 18 (CNA)—The Hsinchu military airport might be opened for civil aviation in mid-1991, Hen Chia-ju, director of the Civil Aeronautics Administration (CAA), said Tuesday.

The military tentatively agreed to the proposal following discussions with CAA, Chen said.

He said the domestic Great China Airlines, scheduled to purchase (four 39-seater) Dash-8 passenger airplanes in 1991, has expressed an interest in flying to Hsinchu, but further discussion will be needed to determine flight details.

CAA, Chen added, is studying the construction of a helicopter terminal (in the) Hsinchu science-based industrial park to meet the park's demand for faster transportation. The park is the Republic of China's answer to America's Silicon Valley.

Hong Kong

Li Peng Knew of Bank Move in Advance

HK1912032490 Hong Kong MING PAO in Chinese
19 Dec 90 p 2

["Purves Informed Li Peng of Hongkong Bank's 'Reorganization' Plan Two Months Ago"]

[Text] Since Hongkong Bank suddenly announced its "change of legal domicile," no heavy response has been heard from China's official circles so far. But, as revealed by well-informed sources in close touch with Chinese authorities, Beijing's top echelon was informed of the inside story as early as two months ago. Hongkong Bank General Manager William Purves paid two special visits to Beijing just to "explain" this matter to the Chinese authorities.

According to the well-informed sources, in October this year, when William Purves was visiting Beijing, bringing with him a group of Hongkong Bank managers, he hinted to Chinese Premier Li Peng that Hongkong Bank would be reorganized in the future. Meanwhile, he also emphasized that Hongkong Bank would continue to be based in Hong Kong and play its due part in promoting Hong Kong's prosperity and stability. However, the well-informed sources said that they believe William Purves did not explain the "reorganization" as a "change of legal domicile" in detail. Therefore, Li Peng expressed no objection or reservation and, quite the contrary, praised this gesture by Hongkong Bank as a "wise decision." It is believed that Li Peng mistakenly considered that Hongkong Bank's "reorganization" was for the purpose of contributing to Hong Kong's prosperity and stability. Or perhaps the interpretation went wrong and caused a misunderstanding.

According to the well-informed sources, three weeks ago, William Purves paid a secret visit to Beijing on his own to meet Lu Ping, the newly appointed director of the State Council Hong Kong and Macao Affairs Office. He apprised the latter in advance of the detailed information about Hongkong Bank's "domicile change," which he announced at a news conference the day before yesterday. Purves flew back to Hong Kong the day after the meeting, but it is learned that before Purves met with Lu Ping, Beijing's top echelon already had obtained some relevant information from other channels.

As to the Chinese authorities' attitude toward Hongkong Bank's "domicile change," the well-informed sources said that because this incident can only be looked upon as a "business action" on the surface, it is very difficult for the Chinese authorities to censure it. Head of the Chinese side in the Sino-British Joint Liaison Group, Guo Fengmin, emphasized to reporters the day before yesterday that according to the Sino-British Joint Declaration, the British Government should be responsible for Hong Kong's prosperity and stability before 1997. This is a clear expression of the Chinese authorities' attitude to this incident.

Bank Refuses Comment on Promise To Stay

HK2012022790 Hong Kong SOUTH CHINA
MORNING POST in English 20 Dec 90 pp 1, 2

[By Jacqueline Lee and Chris Yeung]

[Text] The Hong Kong Bank yesterday refused to comment on allegations that it had gone back on a recent pledge to China that it would remain in the territory.

A spokesman for the bank would not confirm or deny reports that its chairman, Mr William Purves, gave such an assurance to Chinese Prime Minister Mr Li Peng during a meeting on October 6.

"Mr Purves has said that he will not reveal the content of the discussion, which was private," the spokesman said.

An October 7 dispatch by the New China News Agency (NCNA), China's de facto embassy in Hong Kong, said Mr Purves had assured Mr Li that the bank would not leave Hong Kong.

Mr Purves reportedly said during the meeting that the bank wanted to continue to play an important role in the territory's international economic life and it took the view that it was of great importance to make sure Hong Kong remained an important international economic centre.

China is said to be angry with the bank's restructuring move partly because Mr Purves had not indicated the plan to Mr Li during the meeting.

Without commenting on whether the reported pledge was true or not, the Hong Kong Bank spokesman argued that the bank's restructuring did not amount to leaving Hong Kong.

"We've reorganised the bank. The holding company is based and headquartered in and controlled and managed from Hong Kong. We have not turned our back on Hong Kong. In fact, we have reiterated we'll stay in Hong Kong," he said.

Mr Purves attributed the move to pressure from international investors worried about Hong Kong's political future, although he described it as a commercial decision.

China yesterday reacted cautiously to the move, following attacks by two leading left-wing newspapers at the bank's announcement.

The NCNA Hong Kong branch said in a statement last night: "We believe any financial and commercial firms that are influential, like the Hong Kong Bank, should have already considered whether the measures and actions they have taken are beneficial to the prosperity of Hong Kong."

"The Sino-British Joint Declaration has stipulated that the British Government is obliged to maintain the territory's prosperity and stability during the transition period.

"The Chinese Government has all along maintained the territory's prosperity and stability for the sake of the benefit of Hong Kong people and the two governments."

The NCNA spokesman declined to elaborate on the statement and explain whether it implied that Hong Kong Bank's present rights, such as the issuing of Hong Kong banknotes, would remain after 1997.

The terse statement was similar to an earlier one made by Mr Guo Fengmin, leader of the Chinese team of the Sino-British Joint Liaison Group, shortly after the bank's announcement.

An NCNA vice-director, Mr Zhang Junsheng, said on Monday that the Foreign Ministry would issue an official statement later.

A locally based Chinese official said Beijing would prefer to be cautious in its handling of the matter to avoid making counterproductive statements.

"We would also like to see what response the stock market and the community had before commenting. It appears that the response has been calm," the official observed.

Power Company To Use Guangdong Power Station

*HK2012021590 Hong Kong SOUTH CHINA
MORNING POST in English 20 Dec 90 p 6*

[By Jacqueline Lee]

[Text] China Light and Power Company (CLP) yesterday sealed a \$2.1-billion pact with Guangdong for 40 years use of a new hydroelectric power station to be commissioned in the province in 1992.

Apart from helping meet Hong Kong's growing electricity needs, the new power plant would also enhance

the safety of operation at the Daya Bay nuclear plant, said CLP's general manager, Mr Stephen Poon.

The use of the station, which generates power only during the day, would reduce the need for manual adjustment of the nuclear plant's load to meet different levels of demand at day-time and night-time, Mr Poon said.

"The lowered need for manual operation certainly will have a positive effect on safety," he said. "The less adjustment the better because it lessens the chance of operating error.

"With the hydro-electricity, we'll be able to reduce manual operations to an insignificant level."

Hong Kong will use 75 percent of the power generated by the Daya Bay plant, which is to come on stream in mid-1992.

The contract with the Guangzhou Pumped Storage Power Station Joint-Venture Corporation Development Company was signed through the Hong Kong Pumped Storage Development Company Limited, which is jointly owned by CLP and Exxon Energy Limited.

It effectively gives CLP the right to use half of the capacity of the 1,200-mega-watt Guangzhou Pumped Storage Power Station at Conghua, northeast of Guangzhou, from 1993.

The system works by pumping water from a lower reservoir to an upper reservoir during the evening using an electric pump. The water is then held in storage until the following day when it is released to the lower reservoir to drive the turbines and generate electricity.

Mr Poon said that with the addition of the Guangdong hydro-electric power, Daya Bay nuclear power, and CLP's new gas turbine installations in Penny's Bay on Lantau, the company will be able to meet demand in Kowloon and the New Territories up to 1995, which is estimated to be growing at about seven per cent per annum during the period.

END OF

FICHE

DATE FILMED

21 Dec. 1990

